

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII**

In the Matter of the Application of)
HAWAIIAN ELECTRIC COMPANY, INC.)
For Approval of Rate Increases and)
Revised Rate Schedule and Rules)

Docket No. 2008-0083

FILED

JUL 20 2009

Public Utilities Commission

**HECO
2009 TEST YEAR**

**HECO SUPPLEMENTAL
TESTIMONIES AND EXHIBITS**

Book 2 of 3

July 20, 2009

SUPPLEMENTAL TESTIMONY OF
JULIE K. PRICE

MANAGER
COMPENSATION AND BENEFITS
HAWAIIAN ELECTRIC COMPANY, INC.

Subject: A & G Expenses - Employee Benefits

INTRODUCTION

Q. Please state your name.

A. My name is Julie K. Price.

Q. By whom are you employed and in what capacity?

A. I am the Manager of Compensation and Benefits for Hawaiian Electric Company, Inc. (“HECO”). My work experience and educational background are shown in HECO-1300.

Q. Have you submitted prior testimony in this case?

A. Yes. I have previously submitted written direct testimony in this case as HECO T-13 covering HECO's 2009 test year estimate of employee benefits expense (account nos. 926000 employee pensions and benefits and 926010 employee benefits-flex credits, which is included in total Administrative and General ("A&G") expenses discussed by Ms. Patsy Nanbu in HECO T-11.

Q. What is your area of responsibility in this supplemental testimony?

A. My supplemental testimony in HECO ST-13 will address item (v) in Section III. (j) of the Commission's Interim Decision and Order dated July 2, 2009, concerning "Significant Expense Increases" insofar as it relates to the employee benefit accounts in A&G expenses.

EMPLOYEE BENEFITS

Q. How does the employee benefits expense amounts (in account nos. 926000 and 926010) that were included in the 2007 test year interim award compare with the 2009 test year settlement?

1 A. Total employee benefits charged to O&M increased by approximately 41.7% from
2 \$25,982,000 in the 2007 test year settlement to \$36,817,000 per the 2009 test year
3 settlement. See attached exhibit HECO-S-1301.

4 Q. What are the major areas to which the increase is attributable?

5 A. Expenses in account 926000 increased by 57.2% from \$25,923,000 to
6 \$40,759,000. The increase is primarily due to increases in costs for the
7 Company's pension and postretirement plans. Expenses in account 926010
8 increased by 8.0% from \$10,520,000 to \$11,360,000, primarily due to increases in
9 medical plan premiums. The reasons for the increases are discussed later in my
10 testimony.

11 Q. How are HECO's benefits determined?

12 A. The benefits for approximately 50% of HECO's workforce are determined
13 through the negotiating process with the International Brotherhood of Electrical
14 Workers, Local 1260 ("IBEW"). The latest Benefits Agreement which includes
15 benefit provisions as negotiated was provided in HECO-WP-1353. While the
16 remainder of employees is not subject to the collective bargaining agreement,
17 there has been a long-standing practice of providing similar benefits to non-
18 bargaining employees primarily to promote teamwork and to encourage internal
19 movement between the two groups which serves to preserve HECO specific work
20 knowledge. HECO's employee benefit plans have been in place since the 1940's
21 and have evolved to the provisions in place today through the collective
22 bargaining process.

1 Pension and Postretirement Plans

2 Q. How are the costs for HECO's pension and postretirement plans determined?

3 A. Watson Wyatt Worldwide, the independent actuary for these plans, determines the
4 pension and postretirement plan costs in accordance with the provisions of the
5 Statement of Financial Accounting Standards Nos. 87 and 106, which provide for
6 the calculation of the net periodic pension cost ("NPPC") and the net periodic
7 benefits cost ("NPBC"). The factors affecting the pension and postretirement
8 expenses are included in HECO T-13, pages 7-10, 19-22.

9 Q. How have the NPPC and NPBC increased from the 2007 test year interim award
10 to the 2009 test year settlement?

11 A. The NPPC increased by approximately \$13,778,000 from \$17,711,000 in 2007 to
12 \$31,489,000 in 2009. The NPBC increased by approximately \$650,000 from
13 \$6,291,000 to \$6,941,000 and was further adjusted to delete executive life
14 insurance costs and the electric service discount for retirees as explained in HECO
15 T-13, pages 15-16. See HECO-S-1301. The NPPC and NPBC were updated to
16 the amounts in the 2009 test year settlement in the response to DOD-IR-104
17 (Supplement 3/20/09). These increases are primarily due to the reduction in the
18 value of plan assets and reduction in the asset return rate assumption resulting in
19 lower expected return on assets and an increase in the amortization of losses.
20 Further testimony covering the Company's pension and postretirement expense
21 and explanation for the increases in costs from 2007 to 2009 is presented in
22 HECO S-13A by Mr. Leonard Smothermon from Watson Wyatt Worldwide.

1 Additional supplementary testimony regarding the accounting for pension and
2 postretirement plan expenses under the tracking mechanisms in place is provided
3 by Ms. Patsy Nanbu in HECO ST-11.

4 Q. What actions, if any, have been taken to manage pension and postretirement
5 benefit costs?

6 A. Pension and postretirement benefits have been discussed in prior negotiations. In
7 1998 the Company and union agreed to significant reductions in postretirement
8 benefits which included 1) placing annual dollar caps of \$3,000-\$15,000 on
9 Company paid premiums for all employees who retire effective 1/1/99 with no
10 change to the retiree contribution schedule based on years of service, and 2)
11 implementing a different contribution schedule with lower annual dollar caps of
12 \$2,500-\$10,000 for employees who are hired after 12/31/98. Prior to this there
13 were no caps on the Company's contribution. See the applicable schedules in the
14 Benefit Agreement at HECO-WP-1353, pages 5-6. At that time this change was
15 estimated to reduce the NPBC by approximately \$7 million for 1998 and 1999.
16 Watson Wyatt estimates that current obligations for the postretirement plan would
17 be approximately \$53.5 million greater without these caps. Postretirement benefit
18 costs are also affected by changes in medical plan provisions as discussed below.
19 Medical plan changes made for active employees also apply to retirees.

20 Medical Plan

21 Q. What accounts for the increase in medical plan costs from 2007 to 2009?

1 A. Actual 2009 premium rates for the HMSA and Kaiser medical plans are included
2 in HECO-S-1302 which is an update to HECO-1307. Actual 2009 premium rates
3 from HMSA and Kaiser were provided on pages 3-20 of Attachment 8 to the
4 HECO T-13 Rate Case Update. The increase in medical plan costs from 2007 to
5 2009 is primarily due to the increase in premiums and the number of covered
6 employees. Increases in premium rates are generally based on utilization and
7 future inflation of medical plan services. Medical plan premiums for HECO plans
8 increased from 2007 to 2009 as follows:

<u>Plan</u>	<u>% Increase</u>
HMSA PPP	13.3%-14.8%
HMSA HPH	14.0%-15.1%
Kaiser	2.7%

13 See HECO-S-1302.

14 The 2009 test year estimates for medical plan costs are based on actual premium
15 rates as provided by HMSA and Kaiser.

16 Q. Were there any changes to the medical plan provisions from 2007 to 2009?

17 A. Yes. Co-payments required for medical services such as doctor visits and hospital
18 admissions were increased from \$18.00 per doctor visit and \$50.00 per hospital
19 admission in 2007 to \$20.00, and \$100.00 respectively in 2009. While these
20 changes result in lower plan premiums, utilization and projected inflation of
21 medical services had a greater impact on 2009 premium rates.

22 Q. How did the number of employees change?

1 A. The number of employees used to determine medical plan costs for the test year
2 2009 is 1,618 as compared to 1,530 per the 2007 settlement.

3 Q. How was the number of employees covered for benefits for the 2009 test year
4 determined?

5 A. The number of employees covered for benefits for the 2009 test year is
6 determined by using the number of employees projected for the test year (1,636)
7 reduced by part-time and temporary employees to get 1,618. See T-13 Rate Case
8 Update, page 2. Ms. Faye Chiogioji discusses the number of employees for the
9 test year in HECO T-15.

10 Q. How are the medical plan provisions determined?

11 A. Similar to pension and postretirement plans, medical plan provisions are
12 determined through the negotiating process between the Company and the IBEW.

13 Q. How has HECO managed medical plan costs?

14 A. Effective January 1, 1989, HECO and the union agreed to implement a flexible
15 benefits plan ("FlexPlan"), which is more commonly referred to as a cafeteria plan
16 under the provisions of Section 125 of the Internal Revenue Code. As described
17 in HECO T-13, pages 35-39, the FlexPlan was adopted to control future health
18 plan costs and allow employees to select benefit levels based on their needs.
19 Under the FlexPlan, employees are given FlexCredits to use towards the purchase
20 of benefits by electing from several available plans each with a stated FlexPrice.
21 To the extent that the employee's FlexCredits exceed FlexPrices, the difference is
22 paid to the employee. If FlexPrices exceed FlexCredits which is usually the case,

1 the difference is required to be paid by the employee on a pre-tax basis. The
2 FlexPlan helps to manage health plan costs by offering employees an incentive
3 (FlexCredit) to waive health plan coverage which results in lower premiums and
4 lower utilization. In addition, because of the pre-tax nature of FlexPlan
5 contributions, FICA taxes payable by the employee and Company are reduced.

6 Negotiations between HECO and the IBEW going back to 1999 have
7 resulted in cost containment by increasing the deductibles and co-payments and
8 raising FlexPlan prices, which results in increasing contributions from employees.
9 These changes for 2005-2008 are included in pages 4-6 and 18-19 of the Benefits
10 Agreement provided in HECO-WP-1353. Similar changes were made in prior
11 agreements back to 1999.

12 Q. What other efforts has HECO made to control health plan costs?

13 A. As described in HECO T-13, pages 31-32, the Health and Wellness Division
14 supports wellness programs and activities for the Company. These include the
15 Employee Assistance program ("EAP") and Integrated Absence Management
16 program ("IAM"). The program activities include flu shots, weight loss, exercise
17 and dissemination of health-related educational material. Employees can also
18 voluntarily participate in health risk appraisals conducted by HMSA to provide
19 health screenings for the prevention of diabetes, hypertension and other
20 preventable diseases.

21 Q. Please describe any changes that have reduced medical plan premiums.

1 A. HECO implemented a retrospective premium arrangement with HMSA for
2 funding the medical plan for active employees effective January 1, 2008. This
3 funding arrangement was recommended by an external consultant, Aon
4 Consulting, Inc. following an analysis of various funding options. Under this
5 arrangement HECO continues to pay monthly premiums and any gains or losses at
6 the end of the plan year are carried forward to offset future gains or losses in
7 subsequent years.

8 Q. How has this retrospective premium arrangement reduced HMSA premiums?

9 A. Under the retrospective premium arrangement, the rates are lower because the
10 benefits pooling charge, which pays for \$150,000 specific stop loss, is removed
11 and large claims amounts are included in the plan experience. This resulted in the
12 reduction of 2008 premium rates by approximately 1.1%. In 2009, initial rates
13 from HMSA showed an overall increase of 22.1% based on 12 months of
14 utilization. Following discussions between HECO's consultant and HMSA,
15 agreement was reached to lower the overall 22.1% increase to 16.2% under the
16 retrospective arrangement by using 24 months of utilization, instead of 12, and
17 increasing HMSA's risk and retention charges. The HMSA rates used for
18 determining the 2009 test year estimates for HMSA are shown on HECO-S-1302.

19 Q. What other issue involving employee benefits was raised in the Commission's
20 Interim Decision and Order?

21 A. The employee electricity rate discount was raised in Section II.(2)(b) of the
22 Commission's Interim Decision and Order dated July 2, 2009.

1 Q. Is the employee electricity discount a part of HECO's employee benefits
2 program?

3 A. Yes. The electricity discount was negotiated with the union and is considered an
4 employee benefit. The page from the Labor Agreement that describes the
5 electricity discount as negotiated was provided in HECO-WP-1354.

6 Q. Are there any plans or strategies to revise benefit programs in the future?

7 A. Yes. The current labor contract expires on October 31, 2010. The Company is
8 currently formulating a strategy for negotiations which will begin next summer.
9 As we have done in the past, a strategy for addressing high cost items will be
10 developed, considering the economic conditions and the effect on customers.

11 Q. Does this conclude your testimony?

12 A. Yes, this concludes my testimony.

HECO-S-1301
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Response to Item III(j) Interim D&O (Docket No. 2008-0083) O&M Accts 926000, 926010

Line Account Description	(a) TY 2007	(b) June Update Rev (7/25/07)	(c) Adjust- ments	(d) Settlement	(e) 2007 Recorded	(f) 2008 Recorded	(g) TY 2009 Direct Base Case	(h) Update Base Case	(i) Adjust- ments	(j) 2009 Settlement
	Direct									
926000 Employee Pensions and Benefits										
1 Qualified Pension Plan	18,029	17,711		17,711	17,711	17,711	14,623	14,623	16,866	31,489
2 Amortization of Prepaid Pension Asset		5,055	-5,055	0						
3a Amortization of Regulatory Liability-2008							-610	-610	305	-305
3b Amortization of Regulatory Liability-2009									689	689
4 Total Qualified Pension Plan	18,029	22,766	-5,055	17,711	17,711	17,711	14,013	14,013	17,860	31,873
5 Non-Qualified Pension Plans	0	0		0	320	348	0	0		0
6 Other Postretirement Benefits	6,163	5,048		5,048	5,880	5,766	3,853	3,853	1,698 ⁽⁴⁾	5,551 ⁽¹⁰⁾
7 Amortization of Regulatory Asset	1,302	1,302		1,302	1,302	1,302	1,302	1,302		1,302
8a Amortization of Regulatory Liability-2008							-155	-155	77	-78
8b Amortization of Regulatory Liability-2009									30	30
9 Total Other Postretirement Benefits	7,465	6,350		6,350	7,182	7,068	5,000	5,000	1,805	6,805
10 Long-Term Disability Benefit	514	511		511	460	475	544	453		453
11 Other Benefits/Administration	776	771		771	435	398	799	799		799
12 926000 Non-Labor Adjustment									-1 ⁽⁵⁾	-1
13 Subtotals: Non-Labor	26,784	30,398	-5,055	25,343	26,108	26,000	20,356	20,265	19,664	39,929
14 Labor	604	604	-24 ⁽¹⁾	580	621	636	841	841	-11 ⁽⁶⁾	830
15 Total 926000	27,388	31,002	-5,079	25,923	26,729	26,636	21,197	21,106	19,653	40,759
926010 Employee Benefits-Flex Credits										
16 Flex Credits Less Prices	-1,446	-1,121		-1,121	-1,027	-1,115	-1,229	-1,090		-1,090
17 Group Medical Plan	8,460	8,425		8,425	7,871	7,962	8,719	9,871		9,871
18 Group Dental Plan	1,262	1,255		1,255	1,143	1,181	1,318	1,245		1,245
19 Group Vision Plan	199	198		198	181	185	204	206		206
20 Group Life Insurance Plan	1,238	986		986	756	955	1,068	809		809
21 Other/Administration	826	826		826	296	420	882	965		965
22 926010 Non-Labor Adjustment			-223 ⁽²⁾	-223					-2 ⁽⁷⁾	-2
23 Subtotals: Non-Labor	10,539	10,569	-223	10,346	9,220	9,588	10,962	12,006	-2	12,004
24 Labor	180	180	-6 ⁽¹⁾	174	90	110	211	175		175
25 Benefits Non-Labor Adjustments							-397 ⁽³⁾		-422 ⁽⁸⁾	-819
26 Total 926010	10,719	10,749	-229	10,520	9,310	9,698	11,173	11,784	-424	11,360
926020 Employee Benefits Transfer										
27 926020 Non-Labor Adjustment									-163 ⁽⁹⁾	-163
28 Employee Benefits Transfer	-10,471	-10,461	0	-10,461	-9,893	-9,586	-8,963	-9,516	-5,623	-15,139
29 Total 926020	-10,471	-10,461	0	-10,461	-9,893	-9,586	-8,963	-9,516	-5,786	-15,302
30 Grand total Charges to O&M	27,636	31,290	-5,308	25,982	26,146	26,748	23,407	23,374	13,443	36,817

Notes:

Columns (a), (b), (c), (d): HECO-SWP-1102

Columns (e), (f): HECO-SWP-101

Columns (g), (h), (i), (j): HECO-SWP-1101

⁽¹⁾ HECO-SWP-1102

⁽²⁾ HECO-SWP-1102

⁽³⁾ Rate Case Update, HECO T-15, Att. 6, p. 5; HECO-SWP-1101

⁽⁴⁾ Increase in OPEB costs 1,717 (Ref: Exhibit CA-101, Schedule C-14, line 3, column D; DOD-IR-104, Supplement 3/20/09, Att. 3, p. 1)

Less: Executive Life Program (post retirement) -19 (Delete executive life program to simplify and limit issues in this rate case)

1,698

873 (Rate Case Update, HECO T-13, Att. 1, p. 2; DOD-IR-104, Supplement 3/20/09, Att. 3, p. 1)

-892 (DOD-IR-104, Supplement 3/20/09, Att. 3, p. 1)

-19

⁽⁵⁾ Stipulated Settlement Letter, HECO T-9, Att. 2, p. 3; HECO-SWP-1101

⁽⁶⁾ Stipulated Settlement Letter, HECO T-13, Att. 1, p. 1; HECO-SWP-1101

⁽⁷⁾ Stipulated Settlement Letter, HECO T-9, Att. 2, p. 3; HECO-SWP-1101

⁽⁸⁾ Stipulated Settlement Letter, HECO T-15, Att. 1; HECO-SWP-1101

⁽⁹⁾ Stipulated Settlement Letter, HECO T-9, Att. 2, p. 3; HECO-SWP-1101

⁽¹⁰⁾ NPBC:

6,941 (DOD-IR-104, Supplement 3/20/09, Att. 2, p. 2)

Less: Executive Life Program (post retirement) -892 (DOD-IR-104, Supplement 3/20/09, Att. 3, p. 1)

Less: Electricity Discount -498 (Stipulated Settlement Letter, HECO T-13, Att. 2, p. 1)

5,551

UTILITIES 2009 Active Premium Basis -- 5-Year Average

	2004	2005	%	2006	%	2007	%	2008	%	2009	%	% Increase	5 Year	
	Amount	Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change	2007 to 2009	Average	
PPP	Single	207.65	208.46	0.39%	202.74	-2.74%	210.41	3.78%	206.10	-2.048%	238.42	15.682%	13.31%	2.80%
	Single Parent	405.67	417.76	2.98%	407.41	-2.48%	422.22	3.64%	417.03	-1.229%	484.18	16.102%	14.67%	3.60%
	Couple	488.05	502.72	3.01%	490.27	-2.48%	508.10	3.64%	501.90	-1.220%	582.73	16.105%	14.69%	3.61%
	Family	526.15	542.86	3.18%	529.50	-2.46%	548.71	3.63%	542.30	-1.168%	629.78	16.131%	14.77%	3.66%
HPH Plus	Single	232.15	237.19	2.17%	232.89	-1.81%	249.77	7.25%	245.55	-1.690%	284.70	15.944%	13.98%	4.17%
	Single Parent	437.50	456.20	4.27%	449.17	-1.54%	482.46	7.41%	477.20	-1.090%	554.76	16.253%	14.99%	4.86%
	Couple	526.37	548.96	4.29%	540.52	-1.54%	580.58	7.41%	574.30	-1.082%	667.65	16.255%	15.00%	4.87%
	Family	571.11	596.88	4.51%	587.86	-1.51%	631.55	7.43%	625.10	-1.021%	726.90	16.285%	15.10%	4.94%
Kaiser	Single	286.96	249.01	-13.22%	258.07	3.64%	253.31	-1.84%	247.78	-2.183%	260.10	4.972%	2.68%	-1.95%
	Single Parent	550.96	478.10	-13.22%	495.50	3.64%	486.35	-1.85%	475.71	-2.188%	499.36	4.972%	2.68%	-1.95%
	Couple	662.88	575.22	-13.22%	596.14	3.64%	585.15	-1.84%	572.34	-2.189%	600.80	4.973%	2.67%	-1.95%
	Family	723.14	627.51	-13.22%	650.34	3.64%	638.34	-1.85%	624.37	-2.188%	655.42	4.973%	2.68%	-1.95%
Vision	Single	5.85	4.86	-16.92%	5.08	4.53%	5.08	0.00%	5.08	0.00%				
	2-Party	11.70	9.71	-17.01%	10.15	4.53%	10.15	0.00%	10.15	0.00%				
	Family	16.97	14.09	-16.97%	14.73	4.54%	14.73	0.00%	14.73	0.00%				
	Single Single Parent Couple Family									5.08 10.26 12.44 13.69				
Maj-HDS	Single	29.44	31.21	6.01%	32.32	3.56%	31.29	-3.19%	31.29	0.00%	29.73	-4.99%	-4.99%	0.20%
	Couple	58.86	62.39	6.00%	64.63	3.59%	62.56	-3.20%	62.56	0.00%	59.43	-5.00%	-5.00%	0.19%
	Family	84.24	89.29	5.99%	92.48	3.57%	89.52	-3.20%	89.52	0.00%	85.04	-5.00%	-5.00%	0.19%

eff. 1/1/09 - 4-tier

UTILITIES 2009 Active Premium Basis -- 5-Year Average

Group Life	2004 Amount	2005 Amount	% Change	2006 Amount	% Change	2007 Amount	% Change	2008 Amount	% Change	2009 Amount	% Change	% Increase 2007 to 2009	5 Year Average
Basic	0.149	0.220	47.65%	0.205	-6.82%	0.200	-2.44%	0.200	0.00%	0.150	-25.00%	-25.00%	0.13%
Supplemental													
0-29	0.059	0.059	0.00%	0.064	8.47%	0.064	0.00%	0.064	0.00%	0.045	-29.69%	-29.69%	-5.27%
30-34	0.066	0.066	0.00%	0.072	9.09%	0.072	0.00%	0.072	0.00%	0.050	-30.56%	-30.56%	-5.40%
35-39	0.110	0.110	0.00%	0.119	8.18%	0.119	0.00%	0.119	0.00%	0.083	-30.25%	-30.25%	-5.48%
40-44	0.146	0.146	0.00%	0.159	8.90%	0.159	0.00%	0.159	0.00%	0.111	-30.19%	-30.19%	-5.33%
45-49	0.212	0.212	0.00%	0.230	8.49%	0.230	0.00%	0.230	0.00%	0.161	-30.00%	-30.00%	-5.35%
50-54	0.372	0.372	0.00%	0.404	8.60%	0.404	0.00%	0.404	0.00%	0.283	-29.95%	-29.95%	-5.32%
55-59	0.599	0.599	0.00%	0.651	8.68%	0.651	0.00%	0.651	0.00%	0.456	-29.95%	-29.95%	-5.31%
60-64	1.013	1.013	0.00%	1.100	8.59%	1.100	0.00%	1.100	0.00%	0.770	-30.00%	-30.00%	-5.34%
65 & +	1.899	1.899	0.00%	2.062	8.58%	2.062	0.00%	2.062	0.00%	1.443	-30.02%	-30.02%	-5.34%
Dep Life													
\$10,000	2.230	2.230	0.00%	2.230	0.00%	2.230	0.00%	2.230	0.00%	1.780	-20.18%	-20.18%	-4.41%
\$25,000	5.870	5.870	0.00%	5.870	0.00%	5.870	0.00%	5.870	0.00%	4.700	-19.93%	-19.93%	-4.35%
AD&D													
Single	0.035	0.035	0.00%	0.035	0.00%	0.035	0.00%	0.035	0.00%	0.030	-14.29%	-14.29%	-3.04%
Family	0.058	0.058	0.00%	0.058	0.00%	0.058	0.00%	0.058	0.00%	0.050	-13.79%	-13.79%	-2.92%
LTD													
per \$100	0.42	0.42		0.38	-9.52%	0.37	-2.63%	0.37	0.00%	0.30	-18.92%	-18.92%	-8.07% **
BU				0.53	-10.17%	0.48	-9.43%	0.48	0.00%	0.39	-18.75%	-18.75%	-9.83% **
NBU													

** 4-yr average

SUPPLEMENTAL TESTIMONY OF

LEONARD E. SMOTHERMON

ON BEHALF OF

HAWAIIAN ELECTRIC COMPANY, INC.

Subject: Pension Plan and
OPEB Plan Funding

INTRODUCTION

Q. Please state your name and business address.

A. My name is Leonard E. Smothermon. I am the Consulting Actuary with Watson Wyatt Worldwide (“Watson Wyatt”) located at 737 Bishop Street, Suite 2700, Honolulu, Hawaii 96813-3214. I am testifying on behalf of Hawaiian Electric Company, Inc. (“HECO” or “Company”).

Q. Have you previously testified on pension plan funding before utility regulatory commissions?

A. No. My prior involvement has been in providing actuarial and consulting support for others’ testimony on behalf of HECO, Hawaii Electric Light Company, Inc. (“HELCO”), Maui Electric Company, Ltd. (“MECO”), Young Brothers and Recology.

Q. Please summarize your professional experience and educational background.

A. My work experience and educational background are shown in HECO-S-13A00.

Q. What is the purpose of your supplemental testimony in this proceeding?

A. My supplemental testimony in HECO S-13A will address Section IV(e) of the Commission’s Interim Decision and Order dated July 2, 2009, concerning “Pension and OPEB Expenses”, insofar as it relates to the change in net periodic cost from 2007 to 2009, prudent funding of the plans and valuation methodology adopted to mitigate year-to-year fluctuations in funding requirements.

Q. What is an appropriate methodology to adopt to fund the pension plan?

A. A detailed Pension Funding Policy Study¹ was filed with the Commission in

¹ In Decision and Order No. 23223 in Docket No. 05-0310, the Commission required Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc. and Maui Electric Company, Ltd. (collectively referred to as the “Companies”) to file a Pension Funding Study in Docket No. 2006-0386, HECO 2007 test year rate case by May 31, 2007.

1 Docket No. 2006-0386 (HECO 2007 test year rate case) in May 2007. That study
2 anticipated changes required by the Pension Protection Act of 2006. For reasons
3 outlined in the report, the funding policy focused on the minimum required
4 contribution ("MRC") under ERISA and the net periodic pension cost ("NPPC")
5 under FAS 87. Based on the projection results and analysis presented in that
6 report, either funding policy alternative, MRC or NPPC, would serve as a
7 reasonable funding policy. Both alternatives balance the needs and concerns of all
8 stakeholders; both provide adequate benefit security, financial flexibility, stable
9 contribution and expense amounts, and reasonable revenue requirement levels.
10 Likewise, the net periodic benefit cost ("NPBC") is a reasonable funding policy
11 for the OPEB plan.

12 Q. What is the cause for the increase in NPPC from 2007 to 2009?

13 A. NPPC is basically comprised of six components: Service Cost, Interest Cost,
14 Expected Return, Transition Obligation Amortization, Prior Service Cost
15 Amortization, and (Gain)/Loss Amortization. Due to changes in assumptions,
16 particularly the discount rate, from 2007 to 2009 the Service Cost was lower.
17 Although the change in discount rate resulted in a lower measure of obligation, the
18 Interest Cost was higher due to two years of additional benefit accruals. The
19 Expected Return decreased substantially due to lower asset values as of December
20 31, 2008. The lower asset values are attributable to unique market conditions
21 during 2008. The Transition Obligation Amortization and Prior Service Cost
22 Amortization did not change, other than for rounding differences. The
23 (Gain)/Loss Amortization increased substantially due primarily to the asset losses
24 incurred during 2008. Therefore, the increase in NPPC is primarily attributed to
25 the decline in asset performance during 2008. Refer to HECO-S-13A01 for

1 further explanation of the change between 2007 NPPC in rates and the estimated
2 2009 NPPC in the test year.

3 Q. What is the cause for the slight increase in NPBC from 2007 to 2009?

4 A. The components of NPBC are the same as those of NPPC. Changes in the
5 Service cost and Interest Cost were somewhat offsetting. Similar to the NPPC,
6 the Expected Asset Return was lower due to asset losses and a slightly lower
7 expected return assumption. The effect of the Expected Asset Return component
8 on the NPBC is somewhat less than that of the NPPC due to the relationship of
9 benefit distributions versus cash contributions and adjustments to return to reflect
10 the unrelated business income tax on assets held in the Non-Bargained Unit
11 Voluntary Employee Benefit Association ("NBU VEBA"). Refer to HECO-S-
12 13A02 for further explanation of the change between the 2007 NPBC in rates and
13 the estimated 2009 NPBC in the test year.

14 Q. Has the final 2009 NPPC and NPBC been determined by Watson Wyatt?

15 A. Yes. The final 2009 NPPC and NPBC was calculated by Watson Wyatt and
16 provided to HECO in June 2009. Gains and losses due to demographic changes,
17 adjustments in baseline OPEB cost and asset adjustments provided subsequent to
18 the December 31, 2008 financial disclosure information are reflected in the final
19 determination of NPPC and NPBC.

20 Q. How does the estimated 2009 NPPC in the test year (provided by Watson Wyatt in
21 February 2009 and included in HECO's Settlement) compare to the final
22 calculation of the 2009 NPPC presented in June 2009?

23 A. The change from the estimated 2009 NPPC in the test year (included in HECO's
24 Settlement) and the final NPPC (calculated by Watson Wyatt in June 2009) is
25 immaterial (0.05% change). The change from the estimated 2009 NPBC in the

1 test year (included in HECO's Settlement) and the final NPPC (calculated by
2 Watson Wyatt in June 2009) differs by 6.9%. The percentage change in the
3 combined NPPC and NPBC is about 1.2%. Refer to HECO-S-13A03 for a side-
4 by-side comparison of the components of NPPC between Watson Wyatt's
5 February estimate included in the settlement and final NPPC and NPBC amounts
6 calculated in June 2009

7 Q. What practice has been adopted to mitigate fluctuations in NPPC and NPBC?

8 A. A market-related value of assets is used to determine Expected Return and
9 (Gain)/Loss Amortization. The market-related value phases in asset related gains
10 or losses over a five year period subject to a 15% corridor (the market-related
11 value must be within 15% of fair value). Considering 2009 NPPC, without the
12 use of the market-related value of assets the Expected Return would have been
13 about 14% lower and (Gain)/Loss Amortization would have been 41% higher
14 resulting in a 30% increase in NPPC. The 2009 NPBC would have been 25%
15 higher without use of the market related value. See exhibit HECO-S-13A04.

16 Q. What is the expected asset return assumption for 2009 NPPC and NPBC?

17 A. The 2009 expected return assumption is 8.25%. This is 25 basis points lower than
18 the assumption for 2007 and 2008. The change is related to the long-term
19 expectation of lower inflation as of January 1, 2009 compared to the prior years.
20 The expected return for assets held in the NBU VEBA is adjusted to reflect
21 applicable assumed unrelated business income tax ("UBIT").

22 Q. If assets earn more than the expected return assumption is the plan in danger of
23 becoming over funded?

24 A. No. Asset returns are expected to fluctuate. The market-related value of asset
25 methodology, as discussed earlier in my testimony, was adopted to smooth the

1 effect of the annual fluctuations in the fair value of assets. The 2009 NPPC and
2 NPBC were determined based on a deferral of asset loss recognition. Future asset
3 returns in excess of the expected return will act to reduce the amount of asset loss
4 being deferred. If accumulated assets become sufficient to fund all accrued
5 benefits, then the excess will be applied to offset future benefit accruals under the
6 plan

7 Q. If the NPPC or NPBC, and therefore the contributions to fund these plans, are less
8 than the amount recovered in rates, how is the difference recaptured?

9 A. A Pension Tracker mechanism has been devised to monitor the difference in
10 NPPC and NPBC compared to the amount recovered in rates. The cumulative
11 difference is amortized at the next rate case to adjust prospective rates as needed.
12 The Pension Tracker mechanism and the OPEB Tracker mechanism are discussed
13 by Ms. Patsy Nanbu in HECO ST-11.

14 Q. Is there an ERISA required minimum funding level for the qualified pension plan?

15 A. Yes. The MRC as determined under ERISA, including the changes made by the
16 Pension Protection Act of 2006 ("PPA"), must be contributed to the plan. The
17 funding policy is to contribute the NPPC, not less than the MRC.

18 Q. Is there an ERISA required minimum funding level for the OPEB plan?

19 A. No.

20 Q. What happens if the MRC exceeds the NPPC?

21 A. The Company will contribute the MRC as needed and the difference between
22 MRC and NPPC will flow through the Pension Tracker mechanism.

23 Q. Are the pension and OPEB funds externally managed and are there mechanisms to
24 prevent contributions from being used for general utility operations or given to
25 shareholders?

1 A. Yes. Contributions are made to externally managed trust funds. Once the
2 contributions are made to the trust funds they may only be used for the benefit of
3 the employees covered by the pension and OPEB plans. The trust funds may not
4 be used for general utility operations or given to shareholders.

5 Q. What is the outlook of plan funding over the next five years?

6 A. The plan experienced a severe drop in asset value during 2008. The asset losses
7 can only be made up through positive asset returns and contributions. Future
8 funding expectations are based on asset values as of December 31, 2008 and the
9 expected return assumption. The funding shortfall will be amortized and added to
10 the value of current year accruals to determine annual funding. Once asset values
11 cover the accrued benefit liability then prospective contributions will only be
12 needed to fund current year accruals. Based on current asset levels and return
13 expectations it is expected to take at least five years to reach this point. Changes
14 in plan provisions, underlying corporate bond rates used in the measurement of
15 obligations and actual versus expected asset return can affect the timeline to
16 funding of the accrued benefit obligation.

17 SUMMARY

18 Q. Does this conclude your testimony?

19 A. Yes.

20

Resume of Leonard E. Smothermon
(July 2009)

Name	Leonard E. Smothermon
Present Employer	Watson Wyatt Worldwide
Business Address	737 Bishop Street Suite 2700 Honolulu, Hawaii 96813
Telephone	(808)535-0517 business office (808)375-2683 mobile
E-mail Address	leonard.smothermon@watsonwyatt.com
Position	Consulting Actuary Retirement Practice Leader of Honolulu Office
Employment History	Watson Wyatt Worldwide (2001 – present) Honolulu, Hawaii Consulting Actuary and Retirement Practice Leader for Honolulu Office Clients: Hawaiian Electric Industries including HECO, MECO, HELCO and American Savings Bank, Young Brothers, Hawaiian Telcom, Recology (fka Norcal Waste Systems), BancWest Corporation including First Hawaiian Bank and Bank of the West, Bank of Hawaii, Kamehameha Schools, Hawaiian Airlines (former client), Aloha Airlines (former client), and other smaller clients
	Milliman USA (1998 – 2001) Dallas, Texas Consulting Actuary and Growth Development
	AAC Group (SynHRgy) (1996 – 1998) Dallas, Texas Consulting Actuary – development of pension administration system
	Milliman & Robertson (1994 – 1996) Dallas, Texas Consulting Actuary

		Buck Consultants (1985 – 1994)
		Dallas, Texas
		Actuary
Partial List of Former Clients (prior companies)		Middle South Energy (nka Entergy) including New Orleans Public Service Inc, Mississippi Power and Light, Louisiana Power and Light, Arkansas Power and Light, Dallas Fort Worth Airport, Dallas Police and Fire, Boy Scouts of America, LTV Steel, Motel 6, Hitachi, La Quinta Inns, Butler Aviation Services (aka Signature Flight Support), ChemFirst, Tesoro Petroleum
Relevant Responsibilities		<ul style="list-style-type: none"> • Manage the retirement practice of the Honolulu Office of Watson Wyatt Worldwide • Financial reporting information (FAS, and IAS) • Funding valuations and issue resolution for benefit plans • Union negotiations • Pension and postretirement medical plan design • Cost projections and risk issues • Rate case support • Experience studies for assumption setting • Administrative issue resolution for pension plans • Plan termination issues • General pension plan issues • Coordinate training for local actuarial associates • Presentations of relevant material to the benefits community
Education and Professional Development		<ul style="list-style-type: none"> • Fellow, Conference of Consulting Actuaries • Associate, Society of Actuaries • Member, American Academy of Actuaries • Enrolled Actuary under ERISA • Bachelor of Science with Highest Honors and Academic Distinction from Texas A&M – Commerce (fka East Texas State University)

Comparison of HECO "2007 NPPC in Rates" to the "Estimated 2009 NPPC in the Test Year"
(provided by Watson Wyatt Worldwide in February 2009)

HEI Retirement Plan		2007	2009		
	HECO	HECO (c)	HECO	Change	Explanation of Changes
Service Cost	17,842,234	(a)	16,943,000	(899,234)	The decrease in service cost due to the increase in discount rate and reduction in expected future salary increases related to inflation outweighed the increase due to the aging of the workforce.
Interest Cost	37,324,762	(a)	40,486,000	3,161,238	Although there was a decrease in projected obligation, part of that decrease was due to an increase in discount rate. The higher interest cost is due to the change in discount rate having a larger impact than the combined forces that reduced the projected obligation.
Expected Asset Return	(44,665,661)	(a)	(36,230,000)	8,435,661	The expected return on the MRV of assets declined significantly as the MRV of assets decreased approximately 15.5% over two years and the expected long term asset return rate was reduced from 8.5% to 8.25%.
Amortization of Transition Obligation	0	(a)	0	0	No change
Amortization of Prior Service Cost	(464,539)	(a)	(465,000)	(461)	No change other than rounding.
Amort of (Gain)/Loss	7,673,933	(a)	10,755,000	3,081,067	The loss amortization increased due to the significant decline in assets outweighing the gain in obligations. The asset losses were mitigated by the gains associated with an increase in discount rate and decrease in expected future inflationary salary increases. Utilization of a market-related value of assets deferred some of the recognition of asset losses on a market value basis.
Total	17,710,729	(a)	31,489,000	13,778,271	Total change in net periodic cost primarily driven by 2008 asset losses. The asset losses are reflected in the lower expected return and the increase in loss amortization.
Assumptions					
Discount Rate	6.000%	(b)	6.625%	0.625%	The discount rate changed as a result of the bond portfolio analysis prepared at 1/1/09 compared to that prepared as of 1/1/07.
Smoothed Asset Value	541,206,321		457,510,000 (based on 12/31/2008 MV)	(83,696,321)	Although a market-related value is used to smooth fluctuations in asset value, 2008 asset losses were enough to trigger the 15% corridor around market value. This resulted in higher recognition of asset losses as of 01/01/2009 for net periodic cost purposes.
Projected Obligation	639,093,529		629,326,157	(9,767,372)	The decrease in projected obligation due to the increase in discount rate, reduction in expected future salary increases related to inflation and benefit payments outweighed the increase due to the aging of the workforce.
Asset Rate of Return	8.50%	(b)	8.25%	-0.25%	The expected long term asset return rate was reduced to reflect current and future economic expectations.
Salary Inflation	3.00%		2.50%	-0.50%	The salary inflation assumption was lowered to be consistent with long-term asset return expectations and reflect assumptions of the Company regarding salary increases.

Notes:

(a) Docket No. 2008-0083, HECO T-13, p. 11

(b) Docket No. 2006-0386, June 2008 Update, HECO T-12, Exhibit 2, p. 1

(c) Docket No. 2008-0083, DOD-IR-104, Supplement 3/20/09, Att. 2, p. 1, Att. 4, p. 1

Comparison of HECO "2007 NPBC in Rates" to the "Estimated 2009 NPBC in the Test Year"
(provided by Watson Wyatt Worldwide in February 2009)

HEI OPEB Plan

	2007	2009	
	HECO	HECO	Change
			Explanation of Changes

Service Cost	3,222,585 (a)	2,820,000 (d)	(402,585)	The service cost remained relatively level as the effect of a higher discount rate offset the effect of participants aging.
Interest Cost	7,429,715 (a)	7,707,000 (d)	277,285	The interest cost remains relatively flat primarily due to offsetting effects of the discount rate change versus obligation measurement.
Expected Asset Return	(6,761,293) (a)	(6,051,000) (d)	710,293	The expected return on the MRV of assets declined significantly as the MRV of assets decreased approximately 3.7% over two years and the expected long term asset return rate was reduced from 8.5% to 8.25%.
Amortization of Transition Obligation	2,400,379 (a)	2,401,000 (d)	621	No change other than rounding
Amortization of Prior Service Cost	0 (a)	0 (d)	0	No change
Amort of (Gain)/Loss	0 (a)	64,000 (d)	64,000	A loss amortization occurs due to the significant decline in assets. The asset losses were mitigated by obligation gains related to the increase in discount rate.
Total	6,291,386 (a)	6,941,000 (d)	649,614	Total change in net periodic cost primarily driven by 2008 asset losses.
Assumptions				
Discount Rate	6.000% (b)	6.500% (e)	0.500%	The discount rate changed as a result of the bond portfolio analysis prepared at 12/31/08. Effective 12/31/08, bond portfolio analyses were prepared separately for the pension plan and OPEB plan.
Smoothed Asset Value	86,840,531	83,658,000 (based on 12/31/2008 MV)	(3,182,531)	Although a market-related value is used to smooth fluctuations in asset value, 2008 asset losses were enough to trigger the 15% corridor around market value. This resulted in higher recognition of asset losses as of 01/01/2009 for net periodic cost purposes.
Projected Obligation	126,980,542	121,904,825	(5,075,717)	The decrease in projected obligation due to the increase in discount rate and benefit payments outweighed the increase due to the aging of the workforce.
Asset Rate of Return	8.50% (b)	8.25% (e)	-0.25%	The expected long term asset return rate was reduced to reflect current and future economic expectations.
Salary Inflation				Not applicable to OPEB benefits.
Trend Rates	10% to 5% (c)	10% to 5% (e)		The medical trend rate is reset to use the initial rate of 10% in the valuation year. The trend rates for dental and vision are unchanged at 5% and 4%; respectively.

- (a) Docket No. 2008-0083, HECO T-13, p. 22
(b) Docket No. 2006-0386, June 2007 Update, HECO T-12, Exhibit 2, p. 2
(c) Docket No. 2008-0083, HECO-1303, p. 3
(d) Docket No. 2008-0083, DOD-IR-104, Supplement 3/20/09, Att. 2 p. 2, Att. 4, p. 1
(e) Docket No. 2008-0083, DOD-IR-104, Supplement 3/20/09, Att. 4, p. 1

Comparison of HECO "Estimated 2009 NPPC and NPBC in the Test Year" (provided February 2009) to "Final 2009 NPPC and NPBC" (provided June 2009)

		Estimated 2009 NPPC in Test Year	Final 2009 NPPC		
HEI Retirement Plan					
		<u>HECO</u>	<u>HECO</u>	<u>Change</u>	<u>Explanation of Changes</u>
1	Service Cost	16,943,000	17,203,638	260,638	Changes in demographics from roll forward from 1/1/2008 to actual 1/1/2009.
2	Interest Cost	40,486,000	40,373,671	(112,329)	Changes in demographics from roll forward from 1/1/2008 to actual 1/1/2009.
3	Expected Asset Return	(36,230,000)	(36,368,317)	(138,317)	Slight changes in anticipated contributions and timing of cash flow.
4	Amort of Tr Oblig	0	0	0	No change
5	Amort of Pr Svc Cost	(465,000)	(464,539)	461	No change other than rounding.
6	Amort of (Gain)/Loss	10,755,000	10,728,481	(26,519)	No material change.
7	Total	31,489,000 (incl. in Settlement)	31,472,934	(16,066)	Total change of (.05%) is immaterial.
Assumptions					
8	Discount Rate	6.625%	6.625%	0.000%	Discount rate is based on a study of high quality corporate bonds available as of 12/31/2008 to match anticipated benefit cash flows.
9	Asset Rate of Return	8.250%	8.250%	0.000%	The expected long term asset return rate selected to reflect expected long term rate of return on assets based on information and expectations developed as of January 1, 2009.

		Estimated 2009 NPBC in Test Year	Final 2009 NPBC		
HEI OPEB Plan					
		<u>HECO</u>	<u>HECO</u>	<u>Change</u>	<u>Explanation of Changes</u>
10	Service Cost	2,820,000	3,373,959	553,959	Changes in demographics and projected baseline cost from 1/1/2008 to actual 1/1/2009.
11	Interest Cost	7,707,000	7,685,944	(21,056)	Changes in demographics from roll forward from 1/1/2008 to actual 1/1/2009.
12	Expected Asset Return	(6,051,000)	(6,087,337)	(36,337)	Slight changes in anticipated contributions and timing of cash flow.
13	Amort of Tr Oblig	2,401,000	2,400,379	(621)	No change other than rounding
14	Amort of Pr Svc Cost	0	0	0	No change
15	Amort of (Gain)/Loss	64,000	45,933	(18,067)	No material change
16	Total	6,941,000 (incl. in Settlement)	7,418,878	477,878	Total change 6.9% primarily due to change in Service Cost.
Assumptions					
17	Discount Rate	6.500%	6.500%	0.000%	Discount rate is based on a study of high quality corporate bonds available as of 12/31/2008 to match anticipated benefit cash flows.
18	Asset Rate of Return	8.250%	8.250%	0.000%	Rate of return applied to bargained unit voluntary employees benefit association ("BU VEBA") and 401(h) account, return for non-bargained VEBA ("NBU VEBA") adjusted to reflect unrelated business income tax.

Effect of Using Market-Related Value

Estimated 2009 Net Periodic Pension Cost ("NPPC") and Net Periodic Benefit Cost ("NPBC") in the Test Year (Provided February 2009)

Pension Plan

	Est. 2009 NPBC in the Test Year	Effect of MRV	NPBC without MRV	Percentage Change
HECO				
Service Cost	16,943,000	0	16,943,000	
Interest Cost	40,486,000	0	40,486,000	
Expected Return	(36,230,000)	4,923,000	(31,307,000)	-14%
Transition Obligation Amortization	-	0	-	
Prior Service Cost Amortization	(465,000)	0	(465,000)	
(Gain)/Loss Amortization	10,755,000	4,444,000	15,199,000	41%
Net Periodic Pension Cost	31,489,000	9,367,000	40,856,000	30%
MRV of Assets	457,510,000			
Market Value of Assets	397,835,000			
Difference	59,675,000			
Expected Return Assumption	8.25%			
Effect on Expected Return	4,923,000			
Amount of loss deferred in MRV	59,675,000			
Amortization period - average future working life	13.428			
Effect on (Gain)/Loss Amortization	4,444,000			

OPEB Plan

	Est. 2009 NPBC in the Test Year	Effect of MRV	NPBC without MRV	Percentage Change
HECO				
Service Cost	2,820,000	0	2,820,000	
Interest Cost	7,707,000	0	7,707,000	
Expected Return	(6,051,000)	788,000	(5,263,000)	-13%
Transition Obligation Amortization	2,401,000	0	2,401,000	
Prior Service Cost Amortization	-	0	-	
(Gain)/Loss Amortization	64,000	973,000 **	1,037,000	1520% **
Net Periodic Pension Cost	6,941,000	1,761,000	8,702,000	25%
MRV of Assets	83,658,000			
Market Value of Assets	72,746,000			
Difference	10,912,000			
Expected Return Assumption	7.22% *			
Effect on Expected Return	788,000			
Amount of loss deferred in MRV	10,912,000			
Amortization period - average time to full eligibility	11.220			
Effect on (Gain)/Loss Amortization	973,000 **			

* 8.25% adjusted to reflect asset returns for NBU VEBA which is subject to Unrelated Business Income Tax ("UBIT").

** High impact result of deferred loss being outside corridor while "actual" NPBC is only moderately outside corridor.

SUPPLEMENTAL TESTIMONY OF
BRUCE TAMASHIRO

DIRECTOR, CORPORATE AND PROPERTY ACCOUNTING
HAWAIIAN ELECTRIC COMPANY, INC.

Subject: Miscellaneous A&G Expense Increase,
 A&G Maintenance Normalization,
 Book Depreciation

INTRODUCTION

Q. Please state your name and business address.

A. My name is Bruce Tamashiro and my business address is 900 Richards Street,
Honolulu, Hawaii.

Q. By whom are you employed and in what capacity?

A. I am the Director of Corporate and Property Accounting for Hawaiian Electric
Company, Inc. ("HECO" or "Company").

Q. What is your educational background and professional experience?

A. My experience and educational background are listed in HECO-1400.

Q. Did you previously submit testimony in this proceeding?

A. Yes, I did. I previously submitted testimony in HECO T-14.

Q. What is your area of responsibility in this supplemental testimony?

A. My supplemental testimony will cover the following three areas which the
Commission has requested additional information in its Interim Decision and
Order ("ID&O"), filed July 2, 2009 in the instant docket (1) miscellaneous
administrative and general ("A&G") expenses increase, (2) normalization of A&G
maintenance expenses, and (3) book depreciation.

MISCELLANEOUS A&G EXPENSES INCREASE (Ref. Section III.(j) of the ID&O)

Q. What are the causes for the Company's increases in miscellaneous A&G expenses
from the 2007 test year interim award to the 2009 test year settlement?

A. The Company's miscellaneous A&G expenses increased by approximately
\$1,031,000 from its 2007 test year rate case interim award of \$7,238,000 to its
2009 test year rate case settlement amount of \$8,815,000. As summarized in
HECO-S-1401, the increase is primarily attributable to increases in (1) lease rents
of \$645,000 (account code 931), and (2) non-recurring general maintenance

1 expenses of \$480,000 (account code 932). These increases are discussed in detail
2 below. Exhibit HECO-S-1402 provides citations where these two expense items
3 were discussed in direct testimony, rate case update, and the informational request
4 discovery process.

5 Q. What caused the increase in lease rent expenses?

6 A. Lease rent expenses increased by approximately \$645,000 from the 2007 test year
7 rate case interim award of \$2,781,000 (Attachment 11 of the Company's response
8 to CA-IR-299, Docket No. 2006-0386) to the 2009 test year rate case settlement
9 amount of \$3,426,000. The 2009 test year rate case settlement amount is
10 calculated as follows: \$3,765,000 (Attachment 2 of the Company's response to
11 CA-IR-344, Docket No. 2008-0083), less \$339,000 related to only those months
12 in which the Company's four new leases' payments would be in effect during the
13 test year (Page 54 of Exhibit 1 to the HECO 2009 Test Year Rate Case –
14 Stipulated Settlement Letter dated May 15, 2009, Docket No. 2008-0083).
15 The increase is primarily due to the addition of four new leases amounting to
16 \$288,000 in the 2009 test year rate case estimates (discussed in HECO's
17 responses to CA-IR-344 to 347), offset by the termination of two leases
18 amounting to \$81,000 from the 2007 test year interim award (HECO T-14 at 16).
19 The remaining increase of \$438,000 is primarily due to various lease term
20 changes and rent increases in existing leases of the 2007 test year interim award.

21 Q. What are the main reasons for the Company's signing of four new leases?

22 A. The main reasons for the Company's four new leases are to accommodate (1)
23 commitments made in the Energy Agreement, (2) reorganization, (3) relocation,
24 and (4) growth. See the Company's responses to CA-IR-345 (revised March 31,
25 2009) and CA-IR-420 for additional details of these four needs.

26 Q. What caused the increase in non-recurring general plant maintenance expenses?

1 A. General plant maintenance expenses increased by approximately \$480,000 from
2 the 2007 test year rate case interim award of \$1,057,000¹ (HECO T-13, Page 10
3 of June 2007 Update, Docket No. 2006-0386) to the 2009 test year rate case
4 settlement amount of \$1,537,000². The 2009 test year rate case settlement amount
5 is calculated as follows: \$1,685,000 (HECO T-14 Rate Case Update at 19), less
6 \$145,000 of capital costs of the Ward Baseyard project (Pages 54-55 of Exhibit 1
7 to the HECO 2009 Test Year Rate Case – Stipulated Settlement Letter dated May
8 15, 2009).

9 The increase is due to an increase in the normalized costs of the Company's non-
10 recurring maintenance projects as discussed in HECO T-14, page 19 and in pages
11 7-8 of HECO T-14 Rate Case Update.

12
13 A&G MAINTENANCE NORMALIZATION (Ref. Section IV.(b) of the ID&O)

14 Q. Why does the Company believe the normalization of non-recurring maintenance
15 projects is appropriate in deriving an estimate for the test year?

16 A. The Company respectfully disagrees with the Commission's statement that "...the
17 average should not include the test year estimates, because it is inappropriate to
18 create an estimate using a combination of actuals and another estimate."

19 Although the A&G Plant Maintenance 2009 test year amount is an estimate, it is
20 based on specific forecasted non-recurring maintenance projects that the
21 Company anticipates to do in the test year. Since the Company has identified
22 specific projects to be performed in the test year, it is appropriate to include the

¹ This amount is the original 2007 test year June 2007 update amount of \$1,064,000 less \$7,000 for the distribution of CA-101, Schedule C-17 adjustment down to the account code level. \$1,064,000 - \$7,000 = \$1,057,000.

² This amount is the original 2009 test year rate case update amount of \$1,685,000, less \$145,000 to be capitalized per settlement agreement, and less an additional \$1,000 for CA-101, Schedule C-16 adjustment, and an additional \$2,000 for the 2% merit increase adjustment, when the latter two adjustments were distributed to the account code level. \$1,685,000 - \$145,000 - \$1,000 - \$2,000 = \$1,537,000.

1 costs of these projects in the test year estimates. Due to the significant costs of
2 these projects in the test year, the Company believed it was appropriate to
3 normalize the project costs to a reasonable estimate based on a three-year
4 normalization period which included identified specific projects to be performed
5 in year 2010.

6 Since these are non-recurring general maintenance expense, using a test year
7 estimate where the test year estimate is higher than previous recorded actuals
8 without normalization would generally result in over-recovery from ratepayers in
9 years beyond the test year. And this over-recovery will not be reset until the next
10 rate case. The contrary is also true when the test year estimate is lower than the
11 previous recorded actuals. Without normalization, this situation would generally
12 result in under-recovery by the utility. This under-recovery will also not be reset
13 until the next rate case.

14 Q. How was the \$145,000 of A&G maintenance costs related to the Ward Baseyard
15 project accounted for in the 2009 test year rate case estimates?

16 A. The \$145,000 of capital costs from the Ward Baseyard project was removed from
17 the 2009 test year general plant maintenance expenses and *should have been*
18 included in the 2009 capital plant additions used in calculating the Company's
19 ending 2009 rate base and 2009 test year average rate base. However, the
20 \$145,000 was inadvertently excluded from the 2009 capital plant additions.

21 Q. Was the \$145,000 of A&G maintenance costs related to the Ward Baseyard
22 accrued in 2008?

23 A. No. This project commenced in 2009.

24
25 BOOK DEPRECIATION (Ref. Section IV.(c).2 of the ID&O)

26 Q. Why is book depreciation discussed in your supplemental testimony?

1 A. In the Commission’s ID&O, page 19, the Commission requested additional
2 support showing the Parties’ agreement to reduce book depreciation by
3 \$1,098,000. The Commission could not identify this \$1,098,000 adjustment in
4 CA-101, Schedule C-22.

5 Q. How is the \$1,098,000 book depreciation adjustment calculated?

A. See Exhibit HECO-S-1403 for the Company’s calculation (superimposed on CA-101, Schedule C-22 for presentation purposes only) supporting the \$1,098,000 book depreciation adjustment.

10 SUMMARY

11 Q. Please summarize your supplemental testimony.

12 A. My supplemental testimony provides (1) explanations for the increases in
13 miscellaneous A&G expenses of approximately \$1,031,000 from its 2007 test
14 year rate case interim award of \$7,238,000 to its 2009 test year rate case
15 settlement amount of \$8,815,000, (2) justification and clarification for the
16 normalization of the 2009 test year non-recurring maintenance expenses,
17 including the \$145,000 which should have been capitalized, and (3) calculations
18 supporting the \$1,098,000 book depreciation adjustment amount.

19 Q. Does it conclude your supplemental testimony?

20 A. Yes, it does.

HAWAIIAN ELECTRIC COMPANY, INC.,
MISCELLANEOUS A EXPENSES
(\$ Thousands)

Significant Expense Increases Issue (Section III. (j) of the ID&O)

	2007 TY Interim (10/22/07)	Reclass NOTE (1)	Adjusted 2007 TY Interim (10/22/07)	Adjust	2007 Actual	Adjust	2008 Actual	Adjust	2009 TY Settlement (5/15/09)	2007TY vs 2009 TY
MISCELLANEOUS A&G										
928 REGULATORY COMMISSION EXPENSES										
NON-LABOR	320		320	192	512	(222)	290	150	440	
TOTAL 928	320		320	192	512	(222)	290	150	440	120
9301 INSTITUTN/GOODWILL ADVERT EXP										
LABOR	11		11	(7)	4	6	10	4	14	
NON-LABOR	19		19	13	32	(19)	13	9	22	
TOTAL 9301	30	0	30	6	36	(13)	23	13	36	6
9302 MISCELLANEOUS GENERAL EXPENSES										
LABOR	347		347	(51)	296	11	307	(92)	215	
NON-LABOR	2,703	546	3,249	524	3,227	731	3,958	(797)	3,161	
TOTAL 9302	3,050	546	3,596	473	3,523	742	4,265	(889)	3,376	(220)
931 RENTS EXPENSE										
NON-LABOR	2,781		2,781	230	3,011	(30)	2,981	445	3,426	
TOTAL 931	2,781	0	2,781	230	3,011	(30)	2,981	445	3,426	645
932 ADMIN AND GENL MAINTENANCE										
LABOR	149		149	(71)	78	39	117	130	247	
NON-LABOR	908		908	(531)	377	1,140	1,517	(227)	1,290	
TOTAL 932	1,057	0	1,057	(602)	455	1,179	1,634	(97)	1,537	480
TOTAL MISCELLANEOUS A&G	7,238	546	7,784	299	7,537	1,656	9,193	(378)	8,815	1,031

NOTE (1):

Amount represents Board of Director costs which were included in NARUC 921 in the 2007 test year rate case. Based on NARUC accounting guidelines, these costs should be recorded to miscellaneous general expenses (NARUC 9302). In the 2009 test year rate case, these costs are properly reflected in NARUC 9302. For the purposes of this analysis, Board of Director costs which were included in NARUC 921 of the 2007 test year rate case interim award have been reclassified to NARUC 9302.

MISCELLANEOUS ADMINISTRATIVE & GENERAL (A&G)			
<u>Expenses</u>			
<u>TOPIC</u>			
1. Miscellaneous A&G Expense		Reference	Page No.
1a.	NARUC 931 Rent Expense		
	Direct Testimony	HECO T-14	Page 16
	Responses to Information Requests	CA-IR-344, 345 Revised 3/31/09, 346, 347 and 420	
1b.	NARUC 932 General Plant Maintenance		
	Direct Testimony	HECO T-14	Page 19
	Rate Case Update Testimony	HECO T-14	Pages 7-8

Witness: S. Carver

HAWAIIAN ELECTRIC COMPANY, INC.
DOCKET NO. 2008-0083
DEPRECIATION & AMORTIZATION
FOR THE FORECAST 2009 TEST YEAR
(000's)

Exhibit CA-101
Schedule C-22
Page 1 of 1

LINE NO.	DESCRIPTION	REFERENCE	HECO UPDATE	CA PROPOSED	CA ADJUSTMENT	HECO Adjustment	Adj Ref	HECO's Position
	(A)	(B)	(C)	(D)	(E)			
1	Depreciation Expense	(a)(b)	\$ 87,429	\$ 86,783	\$ (646)	(646)	(1)	\$ 86,783
2	Amortization Expense	(a)(b)	3,626	3,863	237	237	(1)	3,863
3	Additional Amortization -- Net Unrecovered	(a)(c)(d)	1,924	-	(1,924)	(825)	(2)	1,099
4	Subtotal	(a)	92,979	90,646	(2,333)	(1,234)		91,745
5	Less: Depreciation on Vehicles	(a)(b)	(2,155)	(2,067)	88	88	(1)	(2,067)
6	Less: CIAC Amortization	(a)(b)	(9,383)	(9,335)	48	48	(1)	(9,335)
7	Add: Regulatory Asset Amortization	(a)(e)	2,169	2,169	-	0	(1)	2,169
8	Less: Federal ITC Amortization	(a)	(644)	(644)	-	0	(1)	(644)
9	Total Depreciation & Amortization Expense		\$ 82,966	\$ 80,769				
10	CA Adjustment to Depreciation & Amortization on Actual Investment at 12/31/2008				\$ (2,197)	\$ (1,098)		\$ 81,868

(1) Adjust amounts to 12/31/08 Actuals.

(1)	(2)	(3) = (2)-(1)
Calculations of Addtl Amortization-Net Unrecovered	HECO Update	HECO Correct Difference
Additional Amortization -- Net Unrecovered	1,924	2,198
Amortize over 2 years (DOD's position)	-	(1,099)
	1,924	1,099
		(825)

Footnotes:

- (a) Source: HECO T-14 Update (pp. 15, 20-22).
 (b) Source: CA Proposed amount from HECO response to CA-IR-417.
 (c) Per CA-IR-418, the Additional Amortization represents the net book value of assets subject to five-year vintage amortization that were retired from Company books on September 4, 2004, representing a stranded net investment. Decision & Order No. 21331 (Docket No. 02-0391) approved a Settlement Agreement between HECO and the Consumer Advocate commencing amortization on the effective date of the Commission's D&O (i.e., 9/4/04). This amortization sunsets two months after the interim scheduled for the pending docket for July 2, 2009. The amortization is nonrecurring and should be removed from proforma rates.
 (d) According to CA-IR-418, the \$1,924 should have been \$2,198 for 2009 -- representing 8/12's of the 2008 annual amortization of \$3,297 (HECO-WP-1401, p. 1).
 (e) CIAC Amortization for 2009:
- | | |
|------------------------------------|-----------|
| Vintage Amortizations through 2006 | \$ 8,263 |
| 2007 Vintage Amortization | 694 |
| 2008 Vintage Amortization | |
| Actual 2008 Receipts | \$ 11,314 |
| Actual 2008 Trans. from Cust. Adv. | 28 |
| Subtotal | 11,342 |
| Amortization Period | 30 |
| Total 2009 CIAC Amortization | \$ 9,335 |
- Source: HECO T-14 Update (p. 23) & CA-IR-419.

SUPPLEMENTAL TESTIMONY OF
FAYE CHIOGIOJI

MANAGER
WORKFORCE STAFFING AND DEVELOPMENT
HAWAIIAN ELECTRIC COMPANY, INC.

Subject: Employee Headcount

1

INTRODUCTION

2

Q. Please state your name and business address.

3

A. My name is Faye Chiogioji, and my business address is 220 South King Street,
4 Suite 700, Honolulu, Hawaii, 96813.

5

Q. By whom are you employed and in what capacity?

6

A. I am the Manager of Workforce Staffing & Development for Hawaiian Electric
7 Company, Inc. ("Hawaiian Electric" or "Company"). My educational background
8 and experience were provided in HECO-1500.

9

Q. What is the purpose of your supplemental testimony?

10

A. My supplemental testimony will discuss the overall organizational changes and
11 structure and changes in overall employee headcount during the rate proceeding. I
12 will also discuss and support the employee headcount growth from the 2007
13 Test Year Settlement to the 2009 Test Year Settlement for specific areas.

14

Q. What is your area of responsibility in this proceeding?

15

A. I will address staffing additions for the following areas:

16

1) President's Office (including Corporate Audit and Compliance);

17

2) Corporate Excellence;

18

3) Finance (except for General Accounting);

19

4) Legal/Land and Rights of Way;

20

5) Energy Solutions;

21

6) Public Affairs;

22

7) Corporate Relations; and

23

8) Government and Community Affairs.

1 I am also responsible for addressing the employee counts for the offices
2 of the Vice President-Customer Solutions, Senior Vice President-Operations, Vice
3 President-Energy Delivery, and Vice President-Power Supply.

4 Q. Who discusses the need for the additional employees in the other departments?

5 A. The following individual witnesses will address the estimated number of positions
6 required by their departments in their respective testimonies:

- 7 1) D. Giovanni - Power Supply (HECO ST-7);
- 8 2) R. Young –Energy Delivery (HECO ST-8);
- 9 3) D. Yamamoto - Customer Service (HECO ST-9);
- 10 4) A. Hee - Customer Solutions (HECO ST-10);
- 11 5) P. Nanbu - General Accounting (HECO ST-11);
- 12 6) L. Roose – System Integration (HECO ST-15C); and
- 13 7) S. Seu – Resource Acquisition (HECO ST-15D).

14 Messrs. Roose and Seu are new witnesses in this 2009 rate proceeding
15 addressing their employees in the newly created departments as a result of, as will
16 be explained, a major reorganization which took place early this year.

17 HECO-S-1500 lists the witnesses who are responsible for discussing employee
18 counts for each respective

19 ORGANIZATION STRUCTURE

20 Q. What is the current Hawaiian Electric management organization structure,
21 including reporting relationships among the departmental organizations?

22 A. The management organization charts in HECO-S-1501 shows the current
23 Hawaiian Electric management organization structure, reporting relationships and
24 staffing levels as of June 30, 2009.

1 Q. Have there been changes in the organization and positions that you reflect in your
2 chart?

3 A. Yes. In CA-IR-24, Hawaiian Electric provided updated management organization
4 charts reflecting the Company's total organization and actual employee counts as
5 of August 11, 2008. Since then, certain events occurred which resulted in changes
6 to the organization. The two most significant events impacting the organization
7 structure were the signing of the Energy Agreement on October 20, 2008 and the
8 hiring of the new President and CEO effective January 1, 2009 (see
9 HECO-S-1502, HECO News Release, "Hawaiian Electric Company Names New
10 President & CEO," dated December 22, 2008).

11 Q. What changes occurred as a result of hiring the new Hawaiian Electric President
12 and CEO?

13 A. At the time the new President and CEO was announced on December 22, 2009,
14 changes in reporting relationships were also announced internally to streamline
15 the Company and to assist with the transition to new leadership. The following
16 summarizes the changes that occurred, effective December 23, 2009.

- 17 o The incumbents in the Senior Vice President, Operations, the Senior Vice
18 President, Energy Solutions and the Executive Vice President positions were
19 moved to form a Senior Advisory Council intending to familiarize the new
20 CEO to the company. (The Executive Vice President would continue to
21 oversee Oahu operations and all Vice Presidents report to him.)
- 22 o The remaining direct reports to the Senior Vice Presidents and Executive
23 Vice President were reassigned to other areas as listed below.
- 24 o Government Relations Department from Executive Vice President to
25 Vice President, Government and Community Affairs

- 1 ○ Customer Service Department from Senior Vice President, Operations to
- 2 Vice President, Customer Solutions
- 3 ○ Customer Installations Department from Senior Vice President, Energy
- 4 Solutions to Vice President, Energy Delivery
- 5 ○ Energy Projects Department from Senior Vice President Energy
- 6 Solutions to Executive Vice President
- 7 ○ Technology Division from Senior Vice President Energy Solutions to
- 8 Executive Vice President
- 9 ○ Director, Business and Economic Analysis position from Senior Vice
- 10 President Energy Solutions to Manager, Corporate Planning
- 11 ○ Director, Energy Analysis position from Senior Vice President Energy
- 12 Solutions to Manager, Corporate Planning

13 The internal announcement, including the list detailing the changes in the lines of
14 reporting are provided as HECO-S-1503.

15 Q. What changes occurred as a result of the Energy Agreement?

16 A. As discussed in the supplemental testimony of Mr. Alm (HECO ST-1), the
17 commitments contained in the Energy Agreement are a priority. These
18 commitments set the tone for future organizational changes.

19 As previously described in the Company's responses to CA-IRs-456 and -
20 458, Hawaiian Electric implemented some organizational shifts in order to support
21 its Clean Energy efforts, while also continuing to deliver on its responsibilities for
22 reliability and quality customer service. A major aspect of the reorganization was
23 the consolidation of functions related to clean energy under the Executive Vice
24 President. Other changes were made to ensure strong corporate governance and
25 elevate the importance of providing consistent quality customer service.

1 Departments, divisions and positions were shifted for better alignment and focus;
2 however, Hawaiian Electric's overall staffing requirements remained the same.
3 Highlights of the changes, which were effective March 2, 2009, are listed below.

- 4 o Executive Vice President ("EVP") appointed to head new Clean Energy
5 organization. This new organization was created to consolidate and
6 better coordinate Hawaiian Electric's clean energy efforts, including
7 work that was already being carried out in various Process Areas. The
8 Energy Agreement contained accelerated schedules and made firm
9 certain priorities that were best addressed by concentrating resources
10 into one organization.
- 11 o New Energy Solutions Department formed, reporting to EVP.
- 12 o New System Integration Department formed, reporting to EVP.
- 13 o New Resource Acquisition Department formed, reporting to EVP.
- 14 o Energy Services Department moved from Vice President, Customer
15 Solutions to EVP.
- 16 o Vice President, Customer Solutions position eliminated; incumbent
17 reassigned to new Vice President, Customer Service position with
18 oversight for the Customer Service Department, Customer Installations
19 Department (formerly under the Vice President, Energy Delivery) and
20 the Customer Information System Project Team (formerly in the
21 Customer Service Department).
- 22 o Vice President, Legal and General Counsel moved from EVP to report
23 to President and CEO.
- 24 o Risk Management Division eliminated (formerly reporting to Senior
25 Vice President ("SVP"), Finance and Administration. Claims function

1 reassigned to Legal Department and insurance function reassigned to
2 Management Accounting and Financial Services.

- 3 o Stand-alone Information and Technology process area established,
4 reporting to President and CEO (formerly under SVP, Finance and
5 Administration).
- 6 o Purchasing Division moved from Support Services (Energy Delivery) to
7 General Accounting.

8 Numerous other movements occurred at the division and position levels.
9 The internal announcement outlining the organizational changes is provided as
10 HECO-S-1505.

11 Q. Have there been other organization changes since the March 2, 2009
12 reorganization?

13 A. Yes, there were two other changes. First, the Budgets and the Financial Analysis
14 Divisions, which were part of the Management Accounting and Financial
15 Analysis ("MAFS") Department, were reorganized into a new department,
16 Budgets and Financial Analysis, on March 30, 2009. At that time, MAFS was
17 renamed to Treasury and Financial Services and also took on Risk Management
18 Insurance Administration responsibility. Until this change, the Risk Management
19 Director and the remaining insurance function continued to report to the Senior
20 Vice President, Finance and Administration. (The Claims function of Risk
21 Management moved to the Legal Department in the March 2, 2009
22 reorganization.) The Company's internal announcement of this change is
23 provided as HECO-S-1506.

24 The second change occurred on April 13, 2009. In the March 2, 2009
25 reorganization, power purchase responsibilities in the Power Supply Services

1 Department were reassigned to the Resource Acquisition Department.
2 Subsequently, effective April 13, 2009, the Power Supply Services department
3 was renamed to be the Fuels Department consistent with the functions that
4 remained. The Company's internal announcement is provided as HECO-S-1507.

5 The changes above, including those that occurred in the March 2, 2009
6 reorganization, are outlined in HECO-S-1508 and can be matched to the
7 corresponding letters on the organization chart in HECO-S-1509.

8 CHANGES TO EMPLOYEE HEADCOUNT

9 Q. Has HECO changed its labor requirements since the November 2008 Update as a
10 result of the changes described above?

11 A. No. All of the changes were intended to align organizational focus with strategy
12 and business needs. By concentrating resources and focus, Hawaiian Electric
13 intended to meet increased work demands, related and unrelated to the Energy
14 Agreement, without the need to increase staffing levels and associated costs above
15 what was requested in its Rate Case Update.

16 Q. How does the 2009 Test Year average employee count agreed on in the May 15,
17 2009 Stipulated Settlement Letter ("Settlement 2009") compare to the 2007 Test
18 Year average employee count agreed to in the Stipulated Settlement Letter filed
19 September 6, 2007, in the Company's 2007 Test Year rate case (Docket No. 2006-
20 0386) ("2007 Final Settlement")?

21 A. The Settlement 2009 Test Year Average employee count results in an increase of
22 71 employees over the 2007 Final Settlement Test Year average employee count
23 as illustrated below.
24

Updated 2009 Test Year Average	1636 ¹
<u>Less: 2.68% vacancy rate adjustment</u>	<u>35²</u>
Revised 2009 Test Year Average	1601
<u>Less: Settlement 2007 Test Year Average</u>	<u>1530³</u>
Difference	71

¹ 2009 HECO T-15 rate case update, page 17

² 2009 Stipulated Settlement Letter, Exhibit 1, HECO T-15, Attachment 1

³ June 2007 update, page 4 (1552); 2007 Stipulated Settlement Letter, Exhibit 1, page 15 (22), i.e., 1552 – 22 = 1530.

Note that, as stated in my direct testimony, the average number of employees for the entire year is determined by summing the employee count budgeted at the beginning of January and the total number of employees budgeted at the end of each month in the test year, then dividing by 13. Employees include regular, temporary and probationary employees but exclude temporary agency help and others hired on a contractual basis and also exclude employees whose labor expenses are recovered through the Demand-Side Management (“DSM”) adjustment surcharge. (HECO T -15, page 3-4)

- Q. In its *Interim Decision and Order* (“ID&O”) in this docket, the Commission required additional information from Hawaiian Electric to determine whether the increase in the number of employees between 2007 and 2009 is reasonable. How does Hawaiian Electric intend to explain the changes in employee counts between the 2007 rate case settlement test year average and its 2009 rate case update test year average?
- A. Comparing the 2007 and 2009 staffing levels is not easily accomplished because, as described above, there were several organizational changes that occurred. Therefore, the Company presents its staffing count information in two formats.

1 The first, shown in HECO-S-1510, compares the 2007 rate case settlement test
2 year average against the 2009 rate case update test year average as if the March
3 2009 and subsequent reorganizations had not taken place. The second format,
4 shown in HECO-S-1511, compares the 2007 settlement test year average against
5 the 2009 rate case update average as if the reorganizations, including the one in
6 March 2009, were in effect in both 2007, labeled “(Adjusted) Settlement 2007 TY
7 Average”, and 2009, labeled “(Adjusted) 2009 Update TY Average”. Providing
8 these two illustrations permits a consistent “apples-to-apples” comparison of both
9 the historical and new company organizations.

10 The various witnesses will discuss their organizations comparing the 2007
11 settlement test year average against the 2009 rate case update test year average as
12 if the March 2009 and subsequent reorganizations had not taken place (the format
13 shown in HECO-S-1510). Departments are listed in the same order as they
14 previously appeared in CA-IR-278, Attachment 1, Revised 2/17/09, which is the
15 last summary table of employee counts submitted in the current rate case. Its
16 organization is most similar to the structure in place at the time of the 2007 test
17 year settlement, and, therefore, makes comparison among the years easier.

18 Q. Why isn't the most current organization structure used for comparison discussion?

19 A. As stated earlier, the Company's direct testimony filing and rate case update took
20 place before the March 2, 2009 and subsequent reorganizations. The
21 reorganizations did not increase Hawaiian Electric's Updated 2009 test year
22 employee count or labor expense requirements. They did, however, involve
23 numerous changes which make comparing against historical organizations very
24 difficult. Not only did the changes involve shifting resources (i.e., employees)
25 across multiple areas, also changed were names of functions, departments and

1 positions. For example, the former System Planning Department was previously
2 reported as part of the Power Supply Vice President's organization. In the
3 reorganization, the former System Planning Department's Competitive Bidding
4 Division was reassigned to the Energy Projects Department, which had been
5 renamed to Resource Acquisition Department. The remainder of the System
6 Planning Department was moved under the Clean Energy Executive Vice
7 President and renamed to System Integration. Functions and positions formerly in
8 other areas were reassigned to the new System Integration Department:
9 Renewable Integration (one position from Power Supply Vice President's Office),
10 Relay Protection Division (from Energy Delivery Engineering), AMI Project
11 Team (six positions from Energy Delivery Customer Installations), and the
12 Distribution Planning Division (from Energy Delivery Engineering).

13 Considering the potential for confusion, and since there were no changes to
14 the Updated employee counts or labor expense requirements, the various
15 witnesses will discuss staffing increases based on the organization shown on
16 HECO-S-1510. They will end their respective testimonies with a brief discussion
17 of what their organizations look like today (post reorganization).

18 Two departments warranting special attention are the post-reorganization
19 System Integration and Resource Acquisition Departments in the Clean Energy
20 Executive Vice President's Process Area. The formation of these two departments
21 involved dramatic shifts in resources and removing potential process area barriers
22 by consolidating clean energy-related functions in one area. The new witnesses,
23 Messrs. Roose and Seu, have been added to discuss their newly created
24 departments, System Integration and Resource Acquisition, respectively.

25 Q. How has Hawaiian Electric applied the 2.68% vacancy rate agreed to in the 2009

1 test year settlement?

2 A. As shown in HECO-S-1510, the vacancy rate is applied against the Company's
3 total updated average staffing count for 2009, and reduces the count by 35
4 positions, to result in a total 2009 test year settlement average employee count of
5 1601. Because the vacancy rate is not applied to specific departments, each of the
6 witnesses will discuss the differences between the 2007 settlement test year
7 average and the 2009 rate case update test year average, without considering that
8 the equivalent of 35 positions were removed in the 2009 test year settlement.

9 Q. How does the Company's June 30, 2009 actual staffing count compare against the
10 2009 test year settlement average number of employees?

11 A. Hawaiian Electric's June 30, 2009 actual staffing count of 1607 is six more than
12 the 2009 test year settlement average number of employees.

13 Q. Why is the June 30, 2009 actual staffing level important to consider?

14 A. The June 30, 2009 actual staffing level is a reflection of Hawaiian Electric's
15 actions versus its intent. As previously explained by the Operations and
16 Maintenance ("O&M") witnesses, the Company requires these additional
17 employees, or their equivalent labor costs, to perform the work that the Company
18 expects to complete in 2009.

19 Q. How does the transition of energy efficiency programs to a third party
20 administrator affect Hawaiian Electric's staffing requirements?

21 A. The staffing counts are not affected by the transfer of the energy efficiency
22 programs to a third party administrator. As previously discussed on page 7 of
23 HECO T-15 and shown in HECO-WP-1501 and discussed on pages 5 and 8 in
24 HECO T-15 Update and shown on the Updated HECO-WP-1501, employees
25 whose costs were to be recovered by the DSM surcharge, including Solar Saver

1 Program (“SSP”) employees, have been removed from budgeted and actual
2 employee counts. Mr. Alan Hee (HECO T-7) discusses the DSM adjustments in
3 more detail. Similar support of the SSP cost removal can be found in Mr. Alan
4 Hee’s and Mr. Darren Yamamoto’s Rate Case Updates, HECO T-10 Rate Case
5 Update, pages 2-3 and HECO T-9 Rate Case Update, page 3. Lastly, the
6 Company also showed the removal of DSM/SSP employees from employee
7 counts in its response to CA-IR-355.

8
9 FURTHER REDUCTIONS IN EMPLOYEE HEADCOUNT

10 Q. Please explain the further reductions to employee headcount.

11 A. In addition to the voluntary, one-time adjustments described above for 2009,
12 Hawaiian Electric made additional labor adjustments. In order to comply with the
13 ID&O, the Company removed the labor costs and related benefits associated with
14 13 of the 20 positions it added to the 2009 test year average in its Rate Case
15 Update. While it complied with the ID&O, Hawaiian Electric believes that the
16 removal of these expenses are not justified and seeks to include them in the
17 revenue requirement for the rates approved in a final D&O.

18 Q. Why are you still seeking to recover such costs?

19 A. Because, as will be explained by the respective witnesses’ supplemental
20 testimony, these positions also perform non-HCEI related functions and therefore,
21 these costs should be recoverable in rates. The 13 positions and the witnesses that
22 will address the need for these positions are as follows:

- 23 • Power Supply Engineering Department (“PSED”) Project Manager –

24 D. Giovanni, (HECO ST-7)

- 1 • Senior Technical Services Engineers (2) – S. Seu (HECO ST-15D)
- 2 • Power Purchase Negotiation Division - Director and Negotiator– S. Seu
- 3 (HECO ST-15C)
- 4 • Renewable Energy Planning Division (4) – Director, Senior Renewable
- 5 Energy Engineer and Renewable Energy Engineers (2) – L. Roose
- 6 (HECO ST-15D)
- 7 • Director of Special Projects and Energy Services – Senior Rate Analyst
- 8 – Alan Hee (HECO ST-10)
- 9 • Lead Corporate Accountant – P. Nanbu (HECO ST -11)
- 10 • Senior Financial Analyst – F. Chiogioji (HECO ST-15)

11 Also refer to R. Alm’s HECO ST-1 on the need to staff these positions now, and
12 that the Company is being penalized for initiating steps now toward achieving an
13 energy self-sufficient future.

14 POSITION INCREASES BETWEEN THE
15 2007 AND 2009 RATE CASE TEST YEARS

16 POSITION INCREASES

18 Q. What was the increase in the number of employees in the 2009 test year updated
19 average for the departments that you support?

20 A. The 2009 rate case update test year average number of employees for the
21 departments I support increased by 35 when compared with the 2007 settlement
22 test year average counts. The data is presented in two tables in order to permit a
23 consistent historical comparison. The first table, HECO-S-1512, compares the

1 2007 settlement test year average and 2009 rate case update test year average in
2 the departments that I support as if the reorganizations had not taken place. The
3 second table, HECO-S-1513, compares the 2007 settlement test year average
4 versus the 2009 rate case update test year average as if the reorganizations were in
5 effect in both 2007 and 2009. As can be seen, the increase is 35 in both tables.

6 Q. How will you discuss the employee headcount differences?

7 A. The calculated difference between the 2009 rate case update test year average and
8 the 2007 settlement test year average is made up of two types of positions. The
9 first type is for existing positions vacant at the time of the 2007 test year
10 settlement discussions, for which adjustments were made. These vacancies occur
11 with the natural movement of employees into other positions that become open
12 with terminations or transfers of existing employees, both voluntary and
13 involuntary. They are temporary in nature and replacements are required to
14 support the current and historical operations and workload of the Company.

15 The second type of increase is for "new" positions to support the additional
16 workload that is required by the Company in the test year. I will distinguish
17 between replacements and new positions, using the table in HECO-S-1512.

18 President's Office

19 Q. What areas does the President's Office include?

20 A. As shown in HECO-S-1512, the President's Office includes the Corporate Audit
21 and Compliance Department in addition to the President's Office itself.

22 Q. Please explain the increase in three positions in the Corporate Audit and
23 Compliance Department when comparing the Updated 2009 Test Year Average
24 against the Final Settlement 2007 Test Year Update.

25 A. Vacancies of existing positions (i.e., replacements) at the end of 2006 resulted in a

1 half year adjustment for each position, consequently reducing the 2007 test year
2 average for the department by one position in settlement. The vacancies were for
3 an Internal Auditor and a Department Secretary to provide advanced secretarial
4 and administrative support to the Manager and the department. Both positions are
5 currently filled.

6 The remaining increase in count by two positions is for the hiring of four
7 interns at staggered times of the year, beginning in June, to assist with seasonal
8 Sarbanes-Oxley compliance requirements, as explained in HECO T-15, page 19,
9 and illustrated in HECO-WP-1501. Because the interns are not budgeted for the
10 full year, the department's 2009 rate case update test year average only increases
11 by two positions. A new Manager was hired on September 2, 2008 with a focus
12 on expanding risk-based auditing. The department is currently reevaluating the
13 timing and magnitude of workload levels due to Sarbanes-Oxley and has delayed
14 the hiring of the interns. Its actual staffing count is one below the 2009 rate case
15 update test year average.

16 Q. Please explain the reduction in count between the 2009 rate case update test year
17 average and the 2007 settlement test year average in the President's Office.

18 A. As discussed in the HECO T-15 Update, pages 8-10, the Director Strategic
19 Initiatives position and its responsibilities were transferred from the President's
20 Office to the newly-formed Corporate Planning Department. There is no change
21 to the company's overall staffing count.

22 Q. There is one vacancy indicated in the President's Office when comparing the June
23 30, 2009 actual headcount and the 2009 rate case update test year average. Please
24 describe the position and the status of filling it.

25 A. Currently, the Executive Administrative Assistant position is vacant in the

1 President's Office. This position became vacant on October 6, 2008 when the
2 incumbent transferred to another department. Filling the position was put on hold
3 during the transition to the new leadership in the the President's Office. HECO
4 fully expects to fill this position once the new President and CEO and his
5 Administrator are settled into their roles. Duties of the Executive Administrative
6 Assistant are explained in HECO T-14, page 15. A copy of the position
7 description is provided as HECO-S-1514.

8 Corporate Excellence

9 Q. What areas does the Corporate Excellence Vice President's Process Area include?

10 A. As shown in HECO-S-1512, the Corporate Excellence Vice President's Process
11 Area includes the Compensation and Benefits Department; the Industrial
12 Relations Department; the Safety, Security and Facilities Department; and the
13 Workforce Staffing and Development Department in addition to the Corporate
14 Excellence Vice President's Office itself.

15 Q. Please explain the increase in one position in the Compensation and Benefits
16 Department when comparing the Updated 2009 Test Year Average against the
17 Final Settlement 2007 Test Year Update.

18 A. The Pension Specialist position (replacement) was vacant at 12/31/06 and was
19 filled on April 16, 2007. Its duties are outlined in the position description
20 included as HECO-S-1515. The Department is currently at its 2009 rate case
21 update test year average of 11.

22 Q. Please explain the increase in one position in the Industrial Relations Department
23 when comparing the Updated 2009 Test Year Average against the Final
24 Settlement 2007 Test Year Update.

25 A. An additional Industrial Relations Consultant was added in the November Update

1 to assist with the increased workload and address the backlog of issues as
2 discussed in more detail on pages 2-3 of the T-15 Update. The duties are also
3 described in the position description included as HECO-S-1516. The position was
4 filled in 2008, and the department is currently at its 2009 rate case update test year
5 average of 10.

6 Q. Please explain the increase in three positions in the Safety, Security and Facilities
7 Department when comparing the 2009 rate case update test year average against
8 the 2007 settlement test year average.

9 A. As shown on HECO-S-1512 three vacancies in existing positions (i.e.,
10 replacements) and one vacancy of a new position at the end of 2006 resulted in a
11 half year adjustment for each position and reduced the 2007 test year average for
12 the department by two positions in settlement. The replacement positions were
13 two Security Officers and one Custodian. The need for the new position is
14 described in detail in HECO T-14, pages 16-17. The position was filled as a
15 Facilities Maintenance Engineer on April 23, 2007. A copy of the position
16 description is also included as HECO-S-1516. All four positions have been filled
17 and account for two of the increase in position counts. The third position is an
18 additional Security Officer added in 2009 to meet increased coverage needs
19 required for the new power plant ("CIP CT-1"). The need for this additional
20 Security Officer is discussed in more detail in HECO T-15, pages 23-24. The
21 department is currently at its 2009 rate case update test year average.

22 Q. Please explain the increase in six positions in the Workforce Staffing and
23 Development Department when comparing the 2009 rate case update test year
24 average against the 2007 settlement test year average.

25 A. The entire increase is tied to one additional and seven new positions discussed in

1 pages 25-30 of HECO T-15. Five of the eight positions were adjusted in the T-15
2 Update to begin in April rather than January (see discussion in HECO T-15
3 Update, pages 3-4, and the Updated HECO-WP-1501). The delayed start of the
4 five positions reduced the test year average count by two, making the difference
5 between the 2007 settlement test year average and the 2009 rate case update test
6 year average six. All eight positions will be discussed.

7 The first two positions are the Talent Assessment and Development
8 (“TAD”) Specialist and the TAD Coordinator. The need for these positions are
9 discussed in HECO T-15, pages 25-26. Additionally, their duties are outlined in
10 the position descriptions included as HECO-S-1517 and HECO-S-1518. Both
11 positions were filled in the first quarter of 2009.

12 The remaining six positions are in the Organizational Development
13 Division. At the time of the November Update, the Division found it had not been
14 able to develop the policies and procedures needed to implement the Corporate
15 Internship and Corporate Mentorship Programs discussed on pages 26-30 of
16 HECO T-15. Therefore, the Division delayed the start of these programs to April
17 2009 and reduced its employee counts and associated labor requirements by five
18 for the months January through March 2009

19 . This adjustment is discussed further in HECO T-15 Update, pages 3-4.
20 The status of the Organizational Development positions are discussed in the
21 Division’s report, attached as HECO-S-1519. The department is on track
22 according to the revised timetable discussed in the HECO T-15 Update.

23 The current difference between the department’s June 30, 2009 actual
24 staffing of 22 and the 2009 rate case update test year average of 23 is due to the
25 vacant half position in the Corporate Mentorship Program. As reported in HECO-

1 S-1519, plans are in place to fill this slot in August.

2 Q. Please explain the increase in one position in the Corporate Excellence Vice
3 President's Office when comparing the 2009 rate case update test year average
4 against the 2007 settlement test year average.

5 A. This is a new position for a Director, Corporate Excellence Compliance, which
6 was filled on April 28, 2008. The Director was hired to assist the Corporate
7 Excellence Vice President in carrying out her governance role as Hawaiian
8 Electric's Compliance Officer. The Director administers governance systems and
9 programs, conducts investigations involving potential violations of the Company's
10 Code of Conduct, and conducts annual training and ongoing education. More
11 detail can be found on the position description included as HECO-S-1520.

12 Q. Why is the current actual staffing in the Corporate Excellence Vice President's
13 Office higher by one position when comparing it against the 2009 rate case update
14 test year average?

15 A. Included in the Corporate Excellence Vice President's Office employee count is a
16 Project Director for the Human Resources (HR) Suite Project. The position is
17 only budgeted for five months, January through May (see HECO-WP-1501),
18 because it was expected that the system would have gone "live" in April, after
19 which the Project Director had planned to retire. The HR Suite Project is not yet
20 completed. The Project Director has deferred her retirement plans and continues
21 to oversee the project.

22 Finance Vacancies

23 Q. What areas does the Finance and Administration Senior Vice President's Process
24 Area include?

1 A. As shown in HECO-S-1512, the Financial Senior Vice President's Process Area
2 includes the Information Technology and Services Department, the Management
3 Accounting and Financial Services Department, and the Risk Management
4 Division in addition to the Financial Senior Vice President's Office itself. The
5 Financial Senior Vice President also oversees the Corporate Excellence Process
6 Area and, prior to the March 2009 reorganization, also oversaw the General
7 Counsel's Process Area. Both are discussed separately.

8 Q. Who discusses the General Accounting Department?

9 A. Please refer to HECO ST-11, testimony of Patsy Nanbu, for discussion of the
10 General Accounting Department.

11 Q. Please explain the increase in employee count in the Information Technology and
12 Services Department ("ITS") when comparing the 2009 rate case update test year
13 average against the 2007 settlement test year average.

14 A. The difference in headcount is due to three additional Development Services
15 Analyst positions included in the 2009 Test Year estimates for the ITS
16 Department as discussed in HECO T-15, pages 32-33. These positions are critical
17 to support new enterprise systems' software applications and to support third party
18 software products for new enterprise Unix/Oracle platforms, including
19 configuration/change management, reporting and interface systems. Due to the
20 heavy workload, the department's June 30, 2009 actual staffing exceeds the 2009
21 rate case update test year average by five as shown in HECO-S-1512.

22 Recognizing the importance of information technology to the achievement
23 of corporate priorities and the importance of controls to protect HECO's business
24 and operating systems, the information technology function was moved from the
25 SVP Finance and Administration's Process Area into its own Process Area in the

1 March 2009 reorganization, as shown on HECO-S-1513. In this reorganization a
2 separate Information Assurance Division was established and a new acting Chief
3 Information Officer was appointed, directly reporting to the President and CEO
4 (refer to reorganization announcement in HECO-S-1505).

5 Q. Please explain the increase in employee count in the Management Accounting and
6 Financial Services Department when comparing the 2009 rate case update test
7 year average against the 2007 settlement test year average.

8 A. The difference in headcount is due to the addition of a Senior Financial Analyst
9 added in the T-15 Update, pages 7-8, beginning May 2009 to meet the projected
10 increase in workload, including work arising from HECO's Energy commitments.
11 The position description is attached as HECO-S-1521. HECO-S-1522, provided,
12 documents the position justification and internal approval process. Recruitment
13 for the position began in November of 2008; unfortunately, the department was
14 unable to find a suitable candidate with the requisite skills and knowledge.

15 Subsequently, on March 30, 2009, the Management Accounting and
16 Financial Services Department was reorganized and its Budgets and Financial
17 Analysis Divisions were moved to create a new Budgets and Financial Analysis
18 Department (see HECO-S-1506) and resulted in the creation of a new position,
19 Manager, Budgets and Financial Analysis, in place of the additional Senior
20 Financial Analyst position. The duties of the new Manager position are outlined
21 in HECO-S-1523. The work anticipated for the new Senior Financial Analyst
22 position included the feed-in tariff docket application, decoupling docket
23 application, numerous purchase power negotiations and the REIP, AMI and Big
24 Wind surcharge applications. This work has been spread among the two current
25 Senior Financial Analysts, the Director of Financial Analysis and the Manager,

1 Budgets and Financial Analysis. The work being done is in support of
2 applications to present the initiatives to the Commission for its consideration and
3 is not dependent on approval of the programs. In addition, HCEI encompassed
4 work that may or may not have been required absent the Energy Agreement.
5 While Hawaiian Electric expects to need all the positions which exist for the
6 Budgets and Financial Analysis Department regardless of the status of the Energy
7 Agreement, it will allocate this position equally between HCEI and non-HCEI
8 activities.

9 In this reorganization, the insurance function of the Risk Management
10 group was moved under the Management Accounting and Financial Services
11 Department and the department was renamed to the Treasury and Financial
12 Services Department (see HECO-S-1506).

13 Q. Why does the Budgets and Financial Analysis Department show a vacancy when
14 comparing the post-reorganization June 30 actual headcount against the 2009 rate
15 case update test year average in HECO-S-1513, but no vacancy is reflected when
16 its count is embedded in the pre-reorganization Management Accounting and
17 Financial Services' Department?

18 A. As can be seen in HECO-S-1513, the new Treasury and Financial Services
19 Department is currently one headcount above its 2009 rate case update test year
20 average for a summer intern currently in its workforce. This offsets the vacancy
21 in the Budgets and Financial Analysis Department when headcounts for the two
22 organizations are combined.

23 Q. What is the current vacancy that appears in the Budgets and Financial Analysis
24 Department in HECO-S-1513?

25 A. The vacancy is a backfill for the Budgets Director position that became vacant

1 when the incumbent transferred to the Financial Analysis Director position on
2 June 8, 2009. The Financial Analysis Director position became vacant when the
3 incumbent was promoted to Manager, Budgets and Financial Analysis.

4 Q. Was the Risk Management Division impacted by the reorganizations?

5 A. Yes. As shown in HECO-S-1513 and described in HECO-S-1505 the Claims
6 Section of the Risk Management group was reassigned to the Legal Department in
7 the March 2009 reorganization. The remaining insurance function and the Risk
8 Management Director were reassigned to the Treasury and Financial Services
9 Department on March 30, 2009 as mentioned above. These changes effectively
10 eliminated Risk Management as a stand alone group.

11 General Counsel/Legal Vacancies

12 Q. What areas does the General Counsel's Process Area include?

13 A. As shown in HECO-S-1510, the General Counsel's Process Area includes the
14 Legal/Land and Rights of Way Department in addition to the General Counsel's
15 Office itself.

16 Q. Please explain the increase in employee count in the Legal/Land and Rights of
17 Way Department when comparing the 2009 rate case update test year average
18 against the 2007 settlement test year average.

19 A. The increase is due to the hiring of an additional associate general counsel on
20 March 5, 2007, due to the significant number of regulatory initiatives the utilities
21 either had brought before the Public Utilities Commission or anticipated filing in
22 the near future. It was deemed prudent and economical to bring in-house an
23 attorney who had experience in regulatory matters and who could work closely
24 with the Regulatory Affairs group to help with the heavy workload. The position
25 information is included as HECO-S-1524.

1 Q. Please explain the current vacancy when comparing the June 30, 2009 actual
2 staffing level against the 2009 rate case update test year average.

3 A. A vacancy occurred with the untimely passing of an associate general counsel in
4 late June. The department is currently recruiting for a replacement; the Job
5 Vacancy Requisition is attached at HECO-S-1525.

6 Senior Vice President, Energy Solutions

7 Q. Please explain the vacancy in the Energy Solutions Senior Vice President's Office
8 when comparing the June 30, 2009 actual staffing level against the 2009 rate case
9 update test year average.

10 A. The vacancy is a result of the retirement of the Business and Economic Analysis
11 Director in February of 2009. As indicated in HECO-S-1513, this position was
12 subsequently transferred to the Corporate Planning Department. Also indicated in
13 HECO-S-1513, the Director, Energy Analysis position was transferred to the
14 Corporate Planning, then to the Resource Acquisition Department, leaving the
15 count for the Energy Solutions Senior Vice President's Office of two after the
16 reorganizations.

17 Vice President, Customer Solutions

18 Q. Please explain the increase in headcount in the Customer Solutions Vice
19 President's Office when comparing the 2009 rate case update test year average
20 against the 2007 settlement test year average.

21 A. A Director, Special Projects was added in the HECO T-15 rate case update, page
22 5, charged with the responsibility of formalizing the Company's efforts to
23 implement demand response programs identified in the Energy Agreement as well
24 as formalizing the Company's demand response strategy across the Company.
25 The position was filled in November 2008 and assigned to the Vice President,

1 Customer Solutions' Office. A copy of the position description is attached as
2 HECO-S-1526. As discussed in HECO T-10 rate case update, pages 3-4, while a
3 majority of the position's time will be spent on Energy Agreement-related
4 activities, this position will also guide the development of the Company's overall
5 demand response strategy and work on the RDLC and CIDLC program renewal
6 applications. These responsibilities are not dependent on the Energy Agreement.
7 Hawaiian Electric conservatively estimates the proportion of time spent on these
8 activities to be 10%. This position subsequently moved to the Energy Services
9 Department in the March 2009 reorganization.

10 Senior Vice President, Operations

11 Q. Please explain the decrease in headcount in the Operations Senior Vice
12 President's Office when comparing 2009 rate case update test year average
13 against the 2007 settlement test year average.

14 A. The decrease is a result of the elimination of the Manager, Operations Strategic
15 Planning position when the incumbent was selected to head the newly established
16 Power Supply Services Department in 2007.

17 Vice President, Energy Delivery

18 Q. What areas in the Vice President Energy Delivery's organization do you cover?

19 A. As shown in HECO-S-1510, I cover the Customer Installations Department and
20 the Energy Delivery Vice President's Office itself.

21 Q. Please explain the increase in headcount in the Customer Installations Department
22 when comparing the 2009 rate case update test year average against the 2007
23 settlement test year average.

24 A. The Customer Installations Department's headcount increases by six positions
25 when comparing the 2009 rate case update test year average against the 2007

1 settlement test year average. All six positions are associated with Advanced
2 Metering Infrastructure (AMI) Project and are identified below. Descriptions of
3 their job duties have previously been provided as noted below.

- 4 1) Director, Advanced Metering Infrastructure (filled July 2007); position
5 description previously provided in **CA-IR-217**, Attachment 1, beginning on
6 page 19;
- 7 2) AMI Systems Administrator (filled September 2007); position description
8 previously provided in **CA-IR-217**, Attachment 1, beginning on page 11;
- 9 3) AMI Project Manager (filled September 2007); position description
10 previously provided in **CA-IR-217**, Attachment 1, beginning on page 14
11 and **CA-IR-1**, T-15, Attachment 31.;
- 12 4) AMI Project Engineer (filled July 2009); position description previously
13 provided in **CA-IR-217**, Attachment 1, beginning on page 1;
- 14 5) AMI Systems Engineer (to be filled August 2009, offer accepted); position
15 description previously provided in **CA-IR-1**, **T-15**, **Attachment 30**,
16 **beginning on page 4, and CA-IR-217**, Attachment 1, beginning on page 6
- 17 6) AMI Systems Engineer (to be filled August 2009, offer accepted); position
18 description previously provided in **CA-IR-1**, **T-15**, **Attachment 30**,
19 **beginning on page 4, and CA-IR-217**, Attachment 1, beginning on page 6.

20 The six positions above include the four new AMI positions discussed in HECO
21 T-15, pages 35-36 (#3-6 above). In the March 2, 2009 reorganization, the AMI
22 function and all six positions were moved to the new System Integration
23 Department, as shown in HECO-S-1513. As mentioned earlier, Mr. Leon Roose
24 discusses the new System Integration Department in HECO ST-15C.

25 Q. Please explain the current vacancies in the Customer Installations Department

1 when comparing June 30, 2009 actual counts to the 2009 rate case update test year
2 average.

3 A. Four vacancies are identified when comparing June 30, 2009 actual counts to the
4 2009 rate case update test year average. Those vacancies are as follows: an AMI
5 Project Engineer (to be filled July 2009), an AMI Systems Engineer (offer
6 accepted; to be filled in August 2009), an Account Services Clerk (started on July
7 6, 2009), and a Clerk Typist III (started on July 6, 2009). In anticipation for future
8 vacancies, the department is also recruiting for a Senior Supervising Engineer, an
9 Administrative Coordinator and an Operations Analyst. All positions are
10 replacements for vacancies that occurred from transfers, promotion and
11 terminations.

12 Vice President, Power Supply

13 Q. Please explain the increase in headcount in the Power Supply Vice President's
14 Office when comparing the 2009 rate case update test year average against the
15 2007 settlement test year average.

16 A. The increase arose from the creation of a new Manager, Renewable Integration
17 position in January 2008. The primary job duties are to manage and facilitate the
18 integration of renewable energy projects into the HECO system. The Manager is
19 responsible for developing performance standards, interconnection requirements
20 and procedures to sustain reliable operation of the electric grid. The Company's
21 Manager, Power Supply Operations and Maintenance filled this new position.
22 Part of the job responsibilities will be to transfer the knowledge and experience he
23 has gained over the past 30 years. The position description, which provides more
24 detail, is attached as HECO-S-1527. This position was moved to the System
25 Integration Department in the March 2009 Reorganization. Mr. Leon Roose

1 discusses the System Integration Department in HECO ST-15C.

2 Executive Vice President, Public Affairs

3 Q. What areas in the Executive Vice President, Public Affairs' Process Area do you
4 cover?

5 A. As shown in HECO-S-1512, I will cover the Corporate Planning Department,
6 Energy Projects Department, and Technology Division in addition to the
7 Executive Vice President's Office itself.

8 Q. Please explain the increase in headcount in the Corporate Planning Department.

9 A. The Corporate Planning Department was formed in August 2008 and was
10 described in the HECO T-15 Update, pages 9-17. Its staffing level combined one
11 position dedicated to strategic initiatives from the President's Office and six
12 integrated resource planning positions, and resulted in a net increase to headcount
13 of one position for the Corporate Planning Manager to lead the department. The
14 duties of the Corporate Planning Manager are outlined on the position description
15 in HECO-S-1528. In the March 2009 reorganization, additional functions
16 residing elsewhere in the Company were assigned to the Corporate Planning
17 Department. As shown in HECO-S-1513 four positions that made up the
18 Forecasts function in the former Forecasts and Research Division were transferred
19 to Corporate Planning. An additional position, the Director, Business and
20 Economic Analysis, was also moved to the Corporate Planning Department from
21 the Senior Vice President Energy Solution's Office. This position became vacant
22 due to a retirement in February 2009. The Manager plans to backfill the position;
23 however, he has determined that a Forecasts Director will better meet the needs of
24 the Company. The second vacancy is for a Corporate Planner which was filled on
25 7/06/09.

1 Q. Please explain the increase in headcount in the Energy Projects Department when
2 comparing the 2009 rate case update test year average against the 2007 settlement
3 test year average.

4 A. A vacancy in an existing Senior Technical Services Engineer position at the end
5 of 2006 resulted in a half year adjustment at settlement. This position was
6 subsequently filled and accounts for a difference in one headcount.

7 The remaining increase in count comes from two additional Senior
8 Technical Services Engineers that were added in the November T-15 Update,
9 pages 6-7, beginning in July 2009. Because these positions were added midyear,
10 the increase to headcount was one, rather than two. The first Senior Technical
11 Services Engineer position is envisioned to work 50% of the time on PV Host
12 implementation activities, once the program is approved by the Commission.
13 Until then, the person will support non-HCEI renewable energy projects and
14 initiatives 100%. Those projects include the strategic partnership with the
15 Department of Hawaiian Homelands exploring innovative distributed
16 technologies, Maui and Oahu battery energy storage projects, the DOE-funded
17 Maui smart grid project, and further development of utility-sited PV. The 50%
18 estimate of time for PV Host is based on the fact that the program, if approved,
19 will involve numerous site visits and project management. The remaining 50%
20 will be spent on the already on-going projects and initiatives described above.

21 The second Senior Technical Services Engineer (described in HECO
22 T-15 Rate Case Update, pages 6-7) will have responsibilities as follows:

23
24 “...assist with development of distributed generation (“DG”) projects,
25 evaluate DG technologies (whether combustion turbine or large diesel-

1 generators), prepare bid drawings and specifications, conduct bid
2 evaluations and construction monitoring, implement startup, and evaluate
3 operations of the DG units. DG units will provide additional quick start
4 generating capacity on Oahu to allow integration of intermittent wind
5 energy into the Hawaiian Electric system. This engineer will work on the
6 development of DG units at a number of potential sites, including at
7 military bases. The Naval Facilities Engineering Command intends to issue
8 one or more requests for proposals seeking the development of DG units on
9 several Oahu military bases. Hawaiian Electric plans to participate in these
10 processes and anticipates that a formal proposal will be submitted for at
11 least one military DG project in mid-2009.”

12 The Hawaiian Electric Companies have been developing DG projects
13 since the 1990s, when the first remotely located DG units were placed in service
14 on the HELCO system to serve peak capacity needs. This has continued to the
15 present day with Hawaiian Electric Company’s substation DG units installed in
16 2005-2007, the Manele CHP project which is under construction, and the Airport
17 dispatchable standby generation (“DSG”) project. Prior to the PUC’s June 25
18 D&O approving the Airport DSG Agreement but denying the Company’s
19 proposed accounting and ratemaking treatment, Hawaiian Electric planned to
20 engage with additional large customers about developing DSG facilities.
21 Hawaiian Electric may determine that it will continue with additional DSG
22 projects. Hawaiian Electric also intends to conduct further engineering and
23 analysis of the requirements to keep the 30 MW of temporary substation DG in

1 long term service. The substation DG units provide valuable system operational
2 and economic benefit given their low heat rates and quick starting capability.
3 Hawaiian Electric has also been engaged with the Department of Defense
4 (“DOD”) about potential development of Company-owned DG units on Oahu
5 military bases since June 2005, almost three years before the Energy Agreement
6 was signed, when the Company and the military commands agreed to conduct an
7 evaluation of DG opportunities at Oahu DOD sites. This effort culminated in the
8 execution of a memorandum of understanding (“MOU”) in mid-2006 between the
9 Company and the Navy to cooperate in further assessment of DG development at
10 Pearl Harbor. Since then, Hawaiian Electric has continued to conduct feasibility
11 analyses and preliminary engineering of DG at Pearl Harbor and Schofield
12 Barracks. The DOD has issued several requests for information from entities with
13 experience developing, constructing, operating, and maintaining renewable-fueled
14 power plants. Hawaiian Electric fully intends to continue engaging with the DOD
15 about development of DG.

16 All Senior Technical Services Engineers in the Energy Projects
17 Department share the same position description, which is attached as HECO-S-
18 1529. The PV Host Senior Technical Services Engineer has already been filled,
19 bringing the department’s June 30, 2009 staffing level to its 2009 rate case update
20 test year average.

21 Q. Please explain how the March 2009 reorganization impacted the Energy Projects
22 Department.

23 A. In the March reorganization, the Energy Projects Department was one of four
24 organizations and an individual position that were consolidated into the Resource
25 Acquisition Department. The three other organizations included the Competitive

1 Bidding Division (formerly with System Planning, Power Supply), the Power
2 Purchase Administration Division (formerly part of Power Supply Services,
3 Power Supply), Power Purchase Negotiation Division (formerly part of Power
4 Supply Services, Power Supply), and the Renewable Technology Division
5 (formerly "Technology" Division, part of the Senior Vice President Energy
6 Solutions' Office). The Director, Energy Analysis position was also moved to
7 Resource Acquisition. The Manager of the Energy Projects Department became
8 the Manager of this much expanded department. Mr. Scott Seu discusses the new
9 Resource Acquisition Department in HECO T-15D.

10 Vice President, Corporate Relations

11 Q. What areas does the Vice President, Corporate Relation's Process Area include?

12 A. As shown in HECO-S-1510, the process area includes the Corporate
13 Communications Division in addition to the Vice President's Office itself.

14 Q. Please explain the increase in one position in the Vice President Corporate
15 Relations' Office itself.

16 A. A vacancy in an existing Senior Communications Consultant position at the end of
17 2006 resulted in a half year adjustment at settlement. This position was
18 subsequently filled and accounts for the difference in one headcount.

19 Vice President, Government and Community Affairs

20 Q. What areas do the Vice President, Government and Community Affairs' Process
21 Area include?

22 A. As shown in HECO-S-1510, the process area includes Education and Consumer
23 Affairs, Government Relations, Regulatory Affairs, in addition to the Vice
24 President's Office itself.

25 Q. Please explain the increase in four positions in the Regulatory Affairs Department

1 when comparing the 2009 rate case update test year average against the 2007
2 settlement test year average.

3 A. As shown in HECO WP-1401, the 2007 staffing plan for the Regulatory Affairs
4 group starts at a staffing level of eight from January to June. In July, seven more
5 positions are added, for a total of 15 employees in the count. This staffing plan
6 results in a 2007 settlement test year average of 11, which is four less than both
7 the 2009 rate case update test year average and the actual number of employees in
8 the department as of June 30, 2009. The December 2007 end of year count at 15
9 is the current level of staffing for the department, therefore, no increase exists.

10
11 SUMMARY

12 Q. Please summarize your testimony.

13 A. HECO is sensitive to the strains that the current financial and economic crisis has
14 placed on its ratepayers. At the same time, the Company recognizes the critical
15 importance of reducing the State's dependence on fossil fuels, ensuring property
16 and equipment are properly maintained in order to provide reliable power, and
17 ensuring it operates in a financially sound manner.

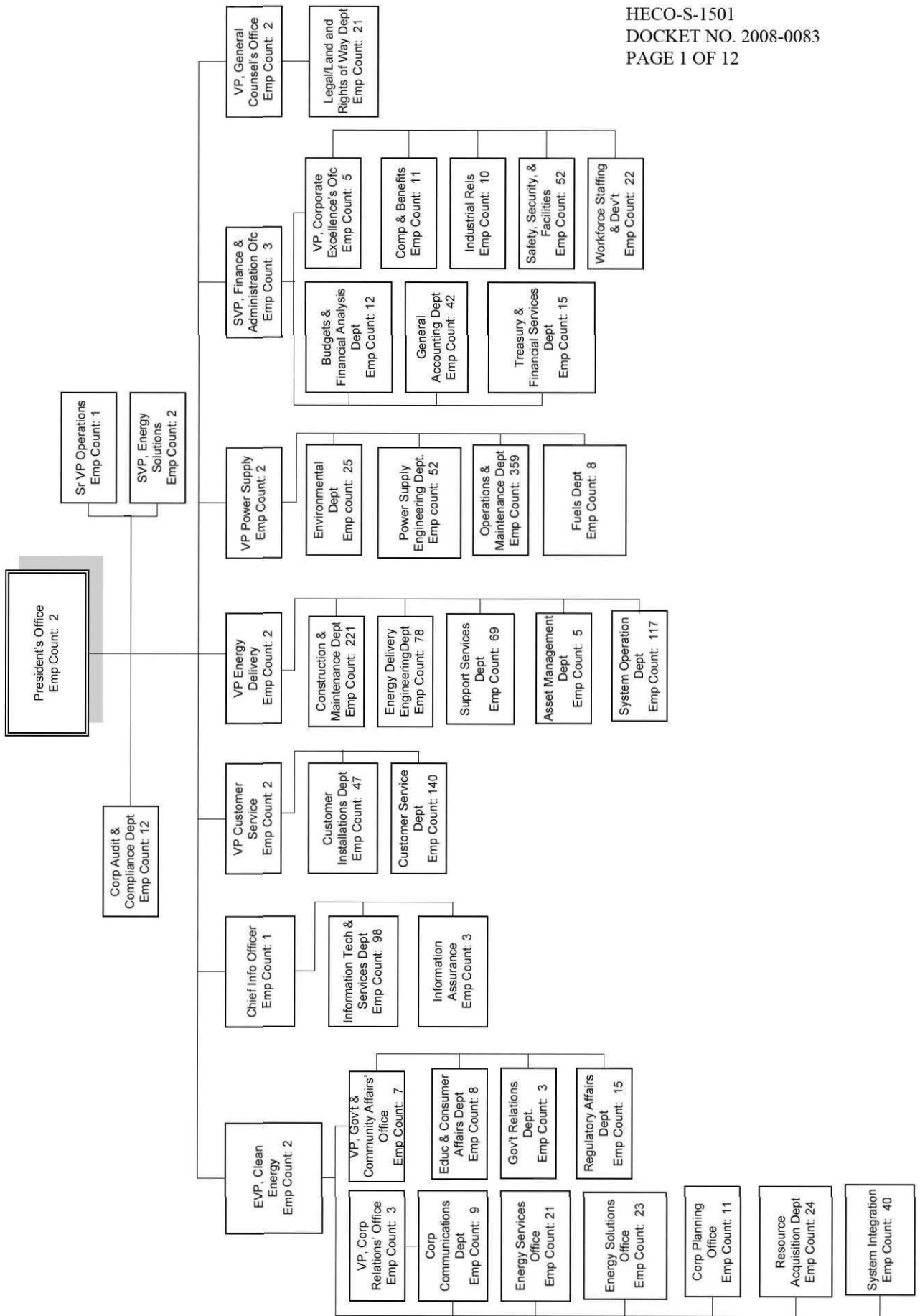
18 HECO's current 1607 staffing level is a better reflection of the resource
19 requirements needed to accomplish the work. Therefore, HECO recommends that
20 the level of staffing as outlined in the Settlement Agreement be allowed.

21 Q. Does this conclude your testimony?

22 A. Yes, it does.

Organization	Department	Witness
President's Office		
	Corporate Audit & Compliance (Formerly Internal Audit)	Faye Chiogioji - HECO ST-15
	President's Office	" " "
VP-Corporate Excellence		
	Compensation & Benefits	Faye Chiogioji - HECO ST-15
	Industrial Relations	" " "
	Safety, Security & Facilities	" " "
	Workforce Staffing & Development	" " "
	VP-Corporate Excellence's Office	" " "
Sr. VP-Finance and Administration		
	General Accounting	Patsy Nanbu - HECO ST-11
	Information Technology & Services	Faye Chiogioji - HECO ST-15
	Management Accounting & Fin Svcs	" " "
	Risk Management	" " "
	SVP Finance & Administration's Office	" " "
VP-General Counsel		
	Legal/Land and Rights of Way	Faye Chiogioji - HECO ST-15
	VP-Gen Counsel's Office	" " "
Sr. VP-Energy Solutions		
	Sr. VP-Energy Solutions' Office	" " "
VP-Customer Solutions		
	Customer Service	Darren Yamamoto - HECO ST-9
	Customer Technology Applications	Alan Hee - HECO ST-10
	Energy Services	" " "
	Forecasts & Research	" " "
	Marketing Services	" " "
	VP-Customer Solutions' Office	Faye Chiogioji - HECO ST-15
Sr. VP-Operations		
	Sr. VP-Operations' Office	Faye Chiogioji - HECO ST-15
VP-Energy Delivery		
	Construction & Maintenance	Robert Young - HECO ST-8
	Customer Installations Dept.	Faye Chiogioji - HECO ST-15
	Engineering	Robert Young - HECO ST-8
	Support Services	" " "
	System Operation	" " "
	VP-Energy Delivery's Office	Faye Chiogioji - HECO ST-15
VP-Power Supply		
	Environmental	Dan Giovanni - HECO ST-7
	Power Supply Engineering (formerly Planning & Engrng)	" " "
	Power Supply Operations & Maintenance	" " "
	Fuels (formerly Power Supply Services)	" " "
	System Planning / System Integration	" " "
	System Integration	Leon Roose - HECO ST-15C
Executive VP		
	VP-Power Supply's Office	Faye Chiogioji - HECO ST-15
	Corporate Planning	Faye Chiogioji - HECO ST-15
	Energy Projects	" " "
	Energy Solutions	Alan Hee - HECO ST-10
	Resource Acquisition	Scott Seu - HECO-ST-15D
	Technology	" " "
VP-Corporate Relations		
	EVP-Office	Faye Chiogioji - HECO ST-15
	Corporate Communications	Faye Chiogioji - HECO ST-15
VP-Government & Community Affairs		
	VP-Corporate Relations' Office	" " "
	Education & Consumer Affairs	Faye Chiogioji - HECO ST-15
	Government Relations	" " "
	Regulatory Affairs	" " "
	VP-Gov't & Comm Affairs' Office	" " "

HAWAIIAN ELECTRIC COMPANY, INC.
Actual employee count as of 6/30/09
(Current)



HAWAIIAN ELECTRIC COMPANY, INC.

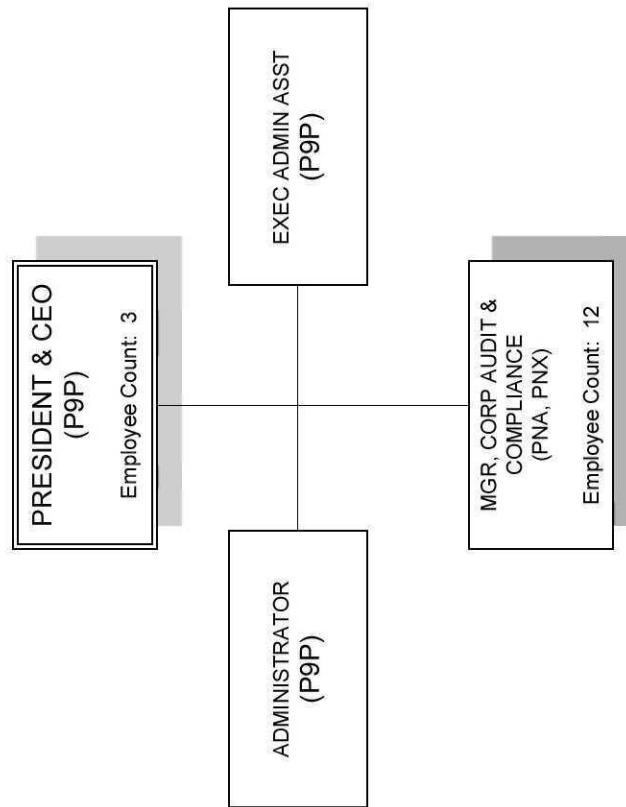
As of 6/30/09

PRESIDENT & CEO

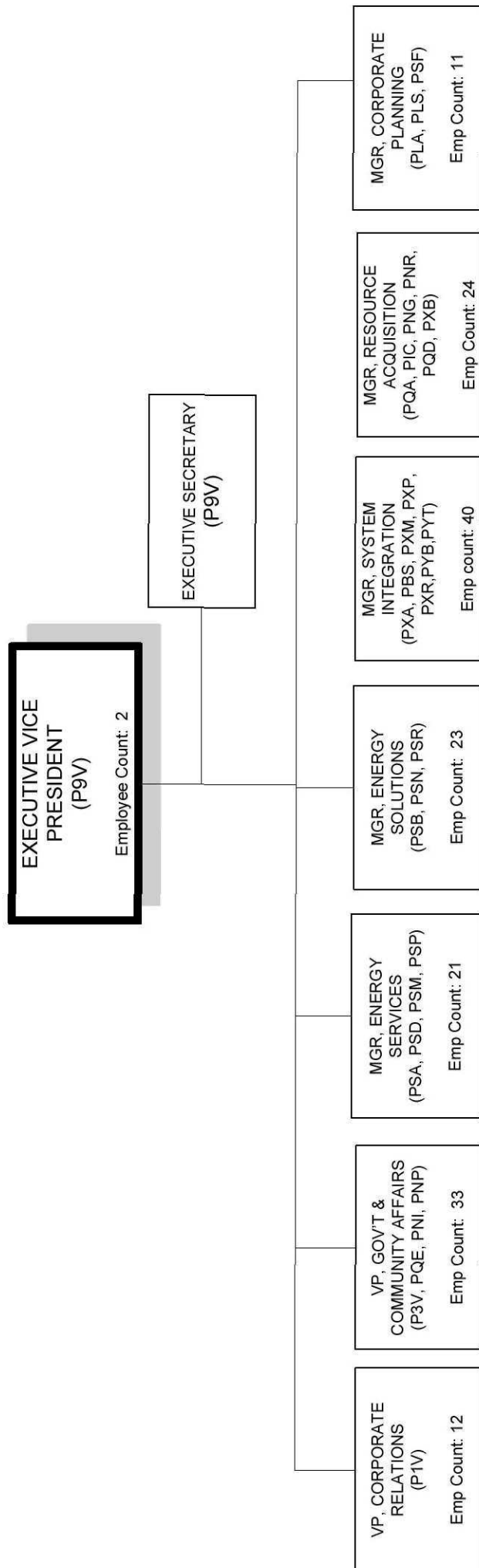
ADMINISTRATOR

EVP, CLEAN ENERGY	CHIEF INFO OFFICER	VP, CUSTOMER SERVICE	VP, ENERGY DELIVERY	VP, POWER SUPPLY	SVP, FINANCE & ADMINISTRATION	VP, GENERAL COUNSEL	CORPORATE AUDIT & COMPLIANCE	SVP, OPERATIONS	SVP, ENERGY SOLUTIONS
VP, CORP RELATIONS	MGR, INFORMATION TECH SERVICES	MGR, CUSTOMER SERVICE	MGR, CONSTRUCTION & MAINTENANCE	MGR, ENVIRONMENT	VP, CORPORATE EXCELLENCE	DIR, LAND & RIGHTS-OF-WAY			
VP, GOV'T & COMM AFFAIRS	DIRECTOR, INFORMATION ASSURANCE	MGR, CUSTOMER INSTALLATIONS	MGR, ENERGY DELIVERY ENGINEERING	MGR, POWER SUPPLY ENGINEERING	CONTROLLER	MGR, LEGAL			
MGR, ENERGY SERVICES			MGR, SUPPORT SERVICES	MGR, OPERATIONS & MAINTENANCE	TREASURER				
MGR, ENERGY SOLUTIONS			MGR, ASSET MANAGEMENT	MGR, FUELS	MGR, BUDGETS & FINANCIAL ANALYSIS				
MGR, SYSTEM INTEGRATION			MGR, SYSTEM OPERATIONS						
MGR, RESOURCE ACQUISITION									
MGR, CORPORATE PLANNING									

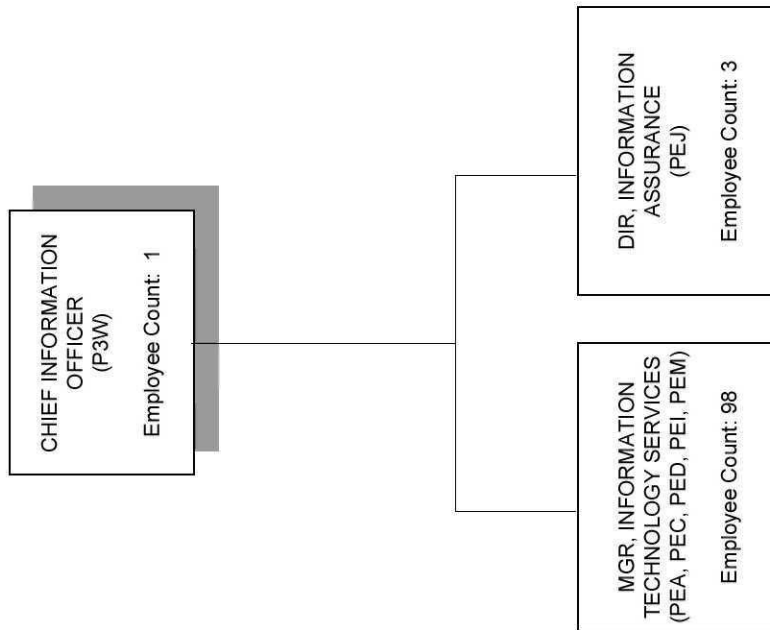
PRESIDENT – HECO
Actual employee count as of 6/30/09



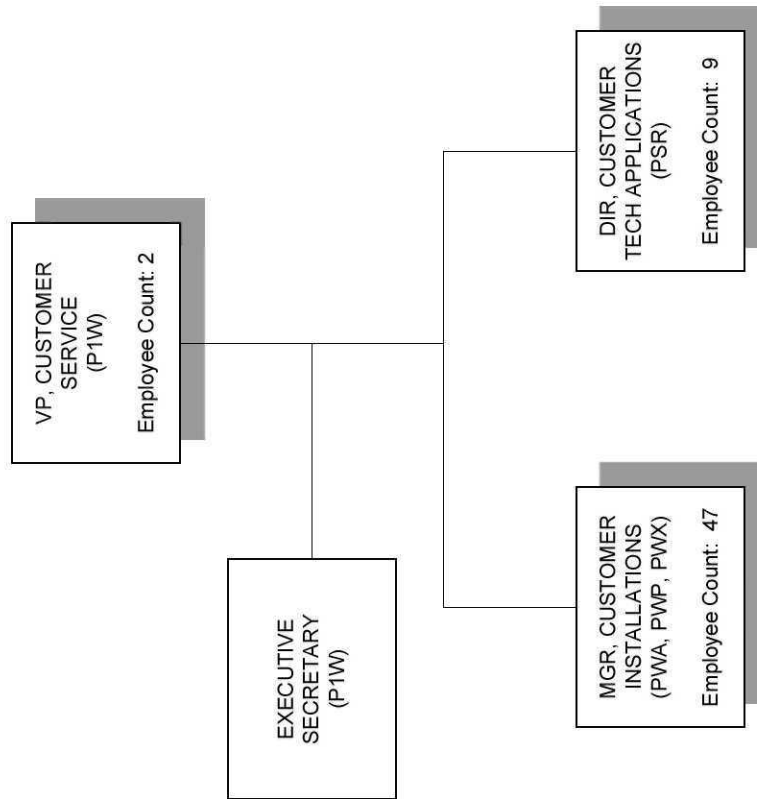
EXECUTIVE VICE PRESIDENT
Actual employee count as of 6/30/09



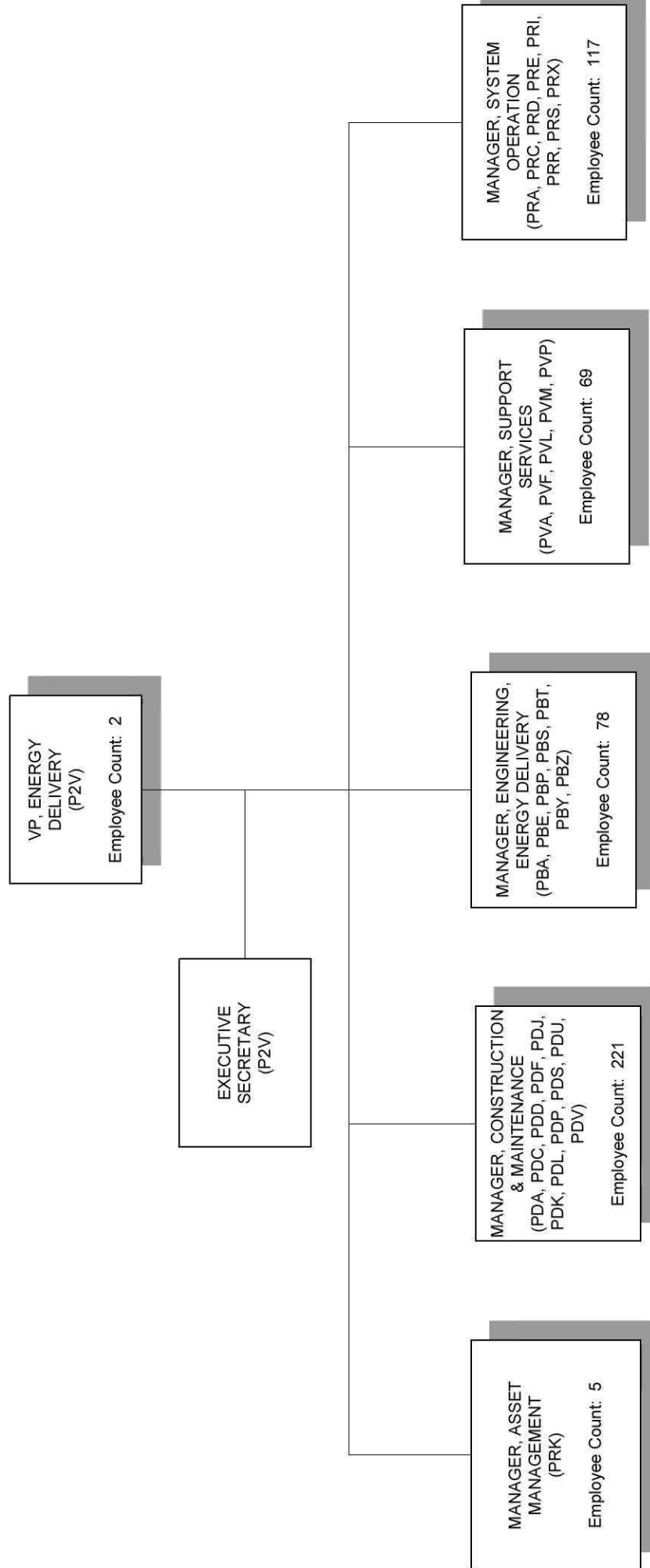
INFORMATION & TECHNOLOGY SERVICES
Actual employee count as of 6/30/09



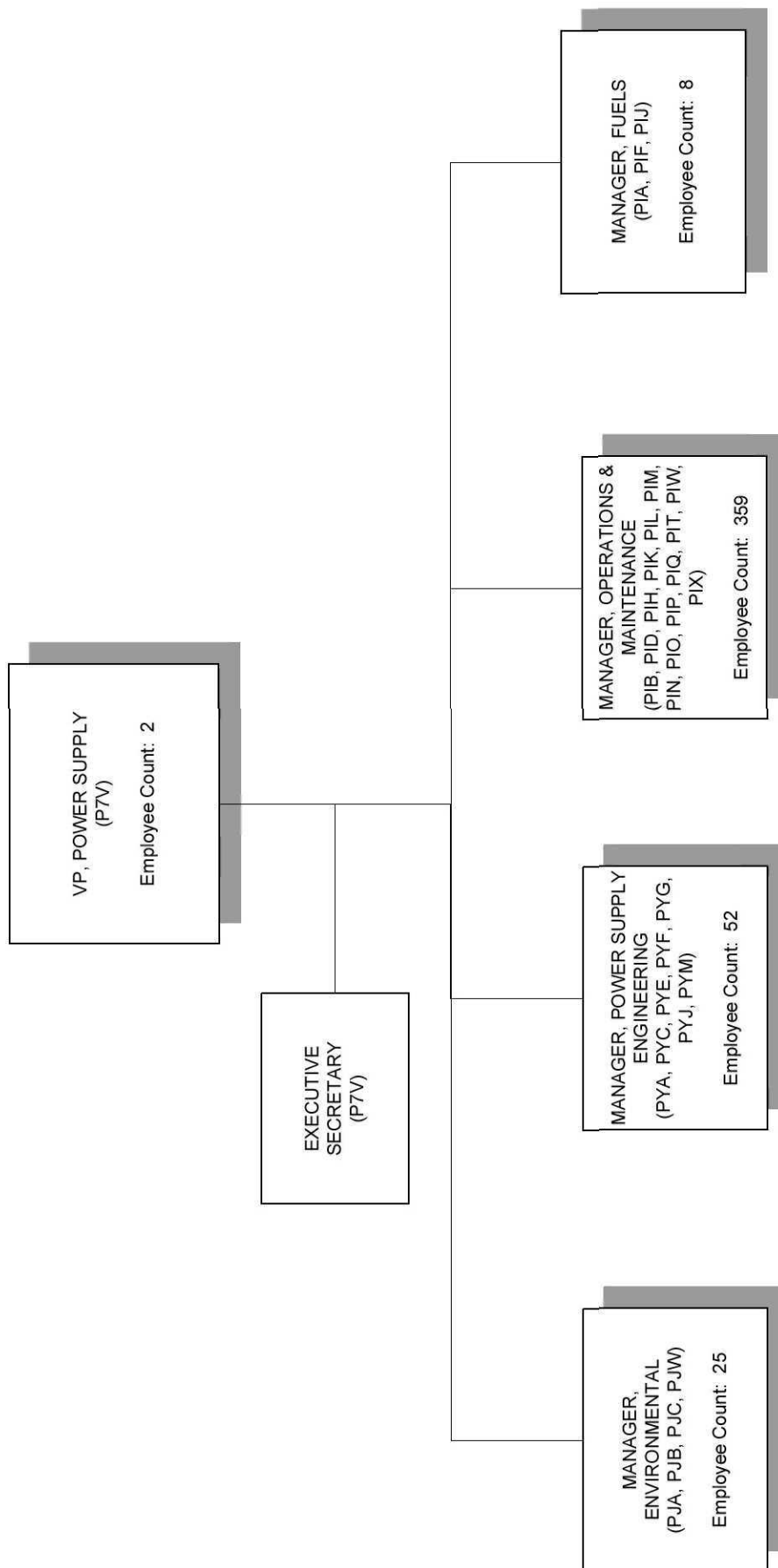
CUSTOMER SERVICE
Actual employee count as of 6/30/09



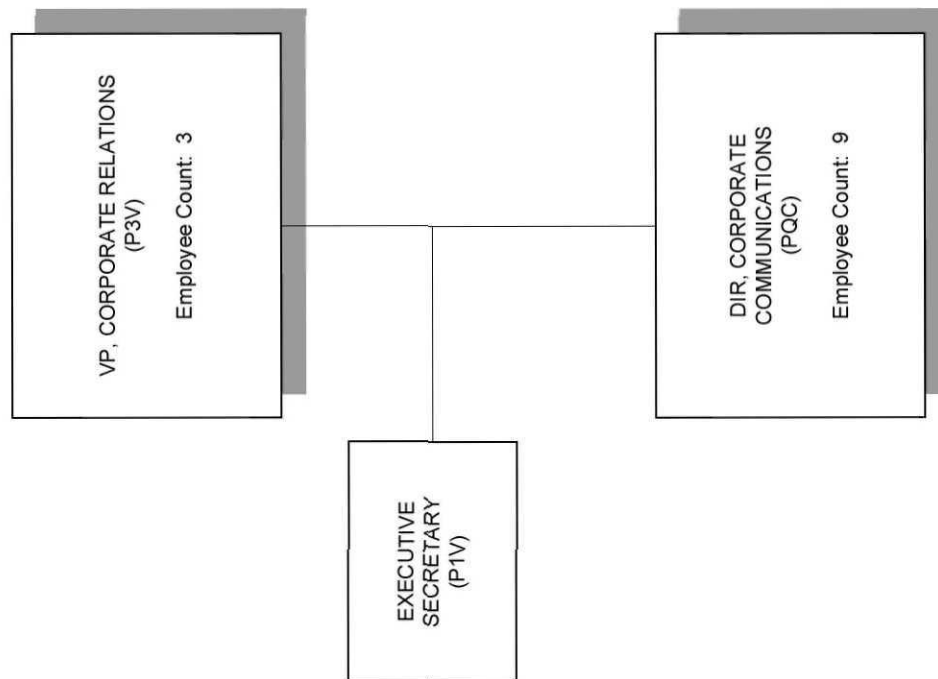
ENERGY DELIVERY
Actual employee count as of 6/30/09



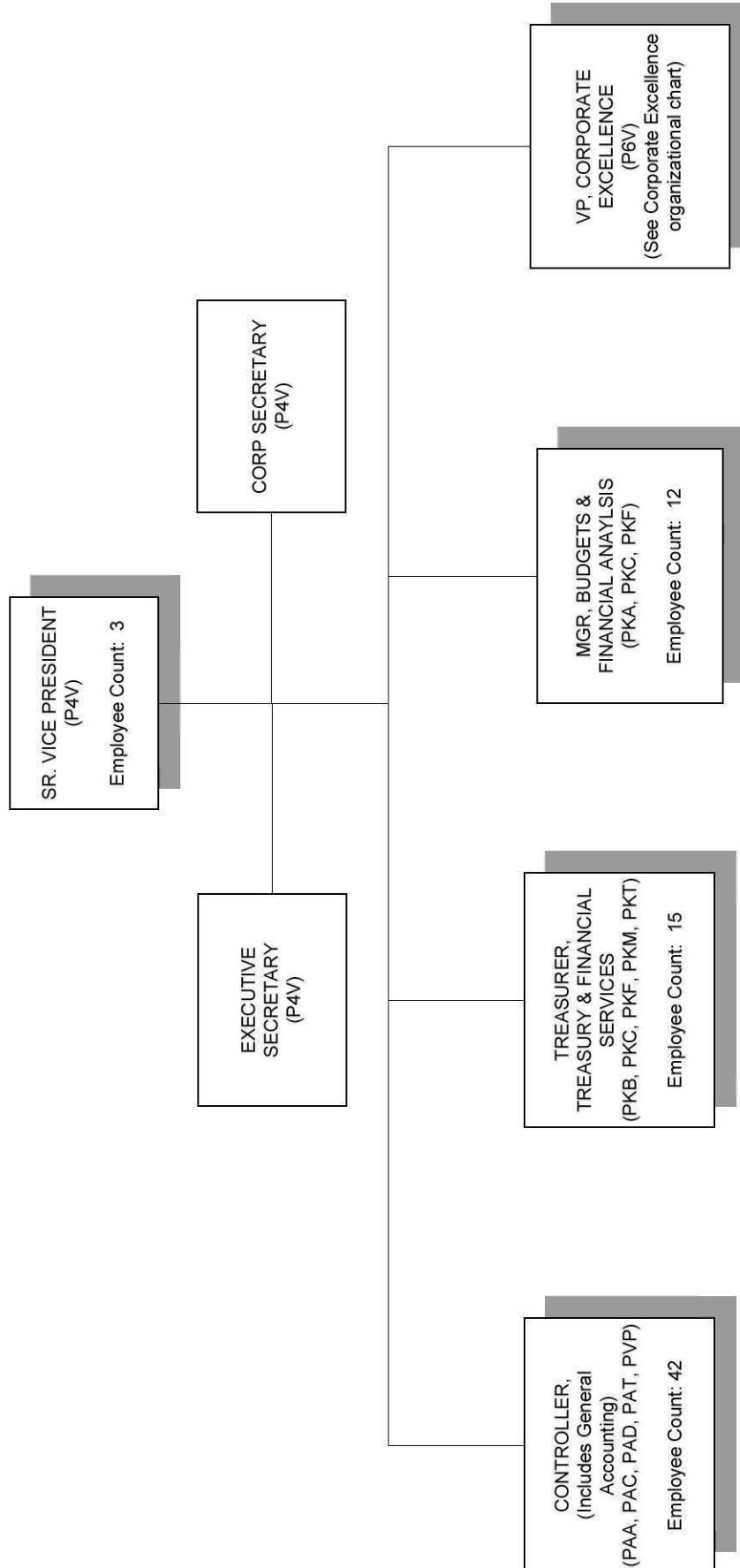
POWER SUPPLY
Actual employee count as of 6/30/09



CORPORATE RELATIONS
Actual employee count as of 6/30/09

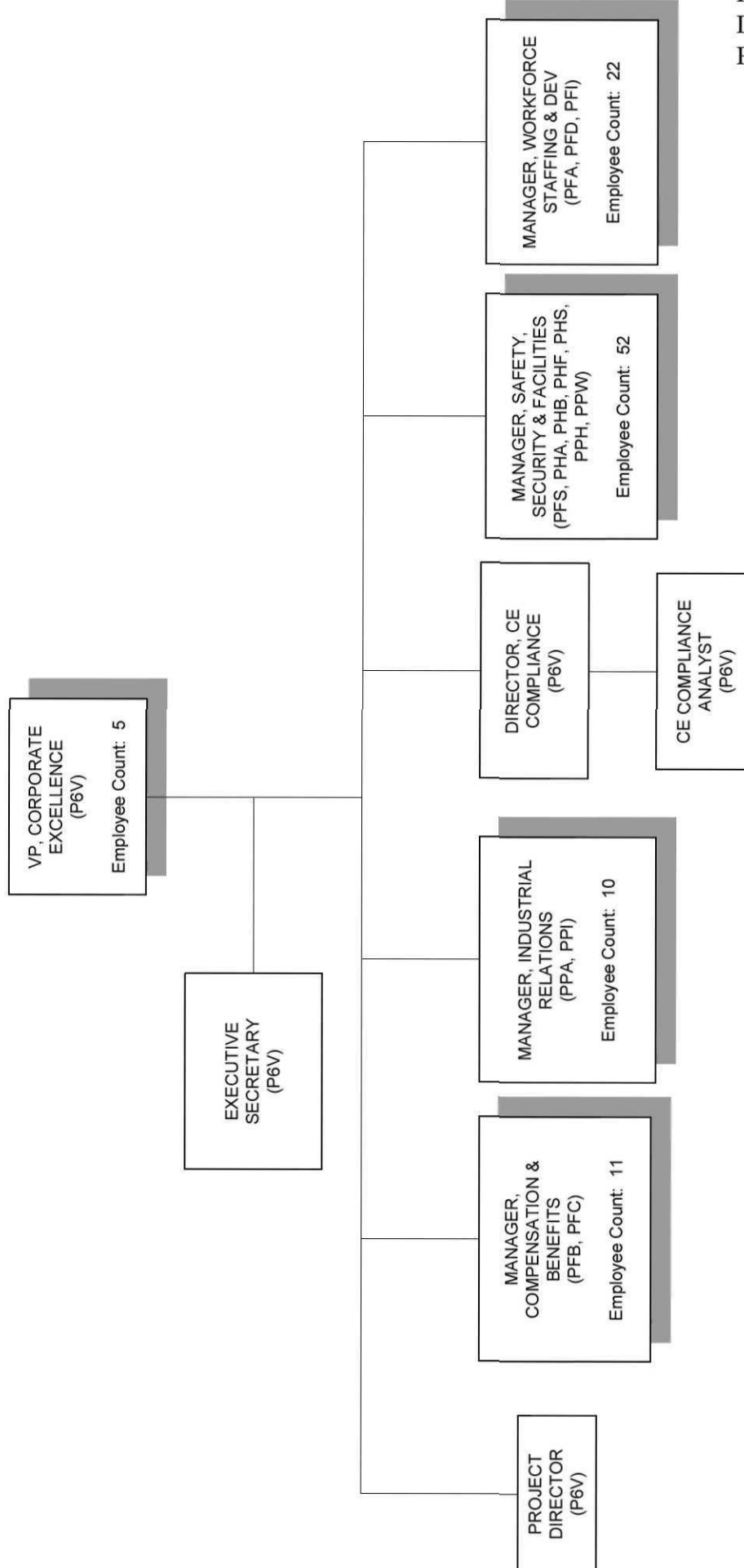


SR. VICE PRESIDENT FINANCE & ADMINISTRATION
Actual employee count as of 6/30/09

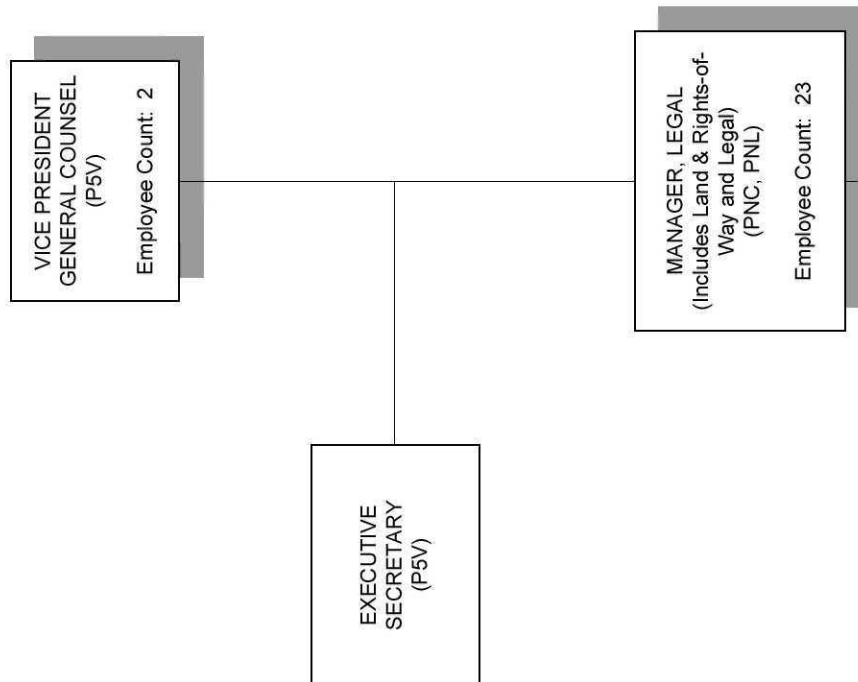


CORPORATE EXCELLENCE

Actual employee count as of 6/30/09



GENERAL COUNSEL
Actual employee count as of 6/30/09





December 22, 2008

Contact: Lynne Unemori
Phone: (808) 543-7972

-- For Immediate Release --

HAWAIIAN ELECTRIC COMPANY NAMES NEW PRESIDENT & CEO

HONOLULU -- Hawaiian Electric Company, subsidiary of Hawaiian Electric Industries, Inc. (HEI) (NYSE - **HE**), today announced that Richard M. Rosenblum has been named President and CEO, effective January 1, 2009. Rosenblum replaces T. Michael May, who stepped down as President and CEO in August of this year.

Rosenblum, age 58, comes to Hawaii with 32 years of experience in all phases of utility operations at Southern California Edison (SCE), California's largest electric utility. Most recently, he held the position of Senior Vice President of Generation, responsible for all of SCE's power generation facilities. During that tenure, Rosenblum helped initiate the nation's largest solar photovoltaic project, which aims to install 250 megawatts of solar generating capacity on commercial rooftops around Southern California.

Previously, he served for over seven years as senior vice president of the Transmission and Distribution business unit, responsible for the delivery of electricity in SCE's 50,000-square-mile service territory. He has also held the positions of vice president of Engineering and Technical Services and vice president of SCE's Distribution business unit, which included responsibility for customer service.

He has a background in nuclear generation, previously holding management positions at SCE's San Onofre Nuclear Generating Station and serving as Chief Nuclear Officer for the company. Rosenblum earned bachelors and masters degrees in nuclear engineering from Rensselaer Polytechnic Institute.

Rosenblum and his wife Michele have been part-time residents of Hawaii for over 20 years, with a home on the Big Island.

-- more --

Hawaiian Electric Names New President & CEO
December 22, 2008
Page 2 of 2

“Dick brings broad experience in all major areas of the utility business, proven leadership skills, and a belief in our strategic vision to help Hawaii create a clean energy future,” said Constance Lau, HEI President and Chief Executive Officer and Chairman of the Hawaiian Electric Company Board. “He has a reputation as an astute, open and approachable leader, qualities essential for the increasing collaboration needed in our business.”

“This is a pivotal time for the energy industry, especially in Hawaii. I am pleased to have the opportunity be a part of these efforts, working with the company’s solid management team,” said Rosenblum. “Having been blessed to spend quite a bit of time here over the past 20 years, I appreciate that Hawaii is a unique and special place and that it is important to find solutions that are right for the Islands. I firmly believe that a utility must have a long-term vision developed in cooperation with the communities it serves and I expect to learn a lot by listening to the community, our employees, and our other stakeholders.”

Hawaiian Electric Company, and its subsidiaries, Hawaii Electric Light Company and Maui Electric Company, supply the energy needs of over 400,000 customers or 95% of Hawaii’s population.

###

From: Krucky, Julie
Sent: Monday, December 22, 2008 1:52 PM
To: zz\$All HECO; zz\$All MECO
Subject: CEO NEWS AND ORGANIZATIONAL CHANGES
Attachments: 2008-12-22 CEO press release.pdf; D. R. Rosenblum - photo.jpg; changes in reporting.pdf

Dear HECO, HELCO and MECO employees,

I am pleased to announce that after an extensive search process, the Board of Directors has selected Richard M. Rosenblum as our new President & CEO, effective January 1, 2009. Dick comes to us with 32 years of experience in all facets of the utility business at Southern California Edison (SCE), California's largest electric utility.

Most recently, Dick held the position of Senior Vice President of Generation, responsible for all of SCE's power generation facilities. During that tenure, he helped initiate the world's largest solar photovoltaic project, which aims to install 250 megawatts of solar generating capacity on commercial rooftops around Southern California.

Previously, he served for over seven years as senior vice president of the Transmission and Distribution business unit, responsible for the delivery of electricity in SCE's 50,000-square-mile service territory. Dick has also held the positions of vice president of Engineering and Technical Services and vice president of SCE's Distribution business unit, including responsibility for customer service. He has a strong background in nuclear generation, working for many years in management positions at SCE's San Onofre Nuclear Generating Station and serving as Chief Nuclear Officer for the company. He holds both bachelors and masters degrees in nuclear engineering from Rensselaer Polytechnic Institute.

Dick wanted to send a personal message and share a little more about his background in a note that you will be receiving shortly so I won't repeat that information here. The Board of Directors and I are excited to have found a leader with Dick's breadth of experience, proven track record in our business, and strong support of our strategic vision to help Hawaii move to a clean energy future. I know you will all enjoy meeting Dick and I can tell you that his personal reputation at SCE was as a very astute, approachable, open, experienced and well-liked leader.

Organizational changes to support the transition

Also, effective December 23, 2008, in order to streamline our organization and to assist with Dick's transition, we will be flattening our organization by removing the Senior VP/Executive VP layer on our organization chart and creating a separate Senior Advisory Council. Senior VPs Tom Joaquin and Karl Stahlkopf, along with Executive VP Robbie Alm, will form this Senior Council reporting to Dick to help familiarize him with our company. Tom will also continue as the executive leader for several key projects including the new CIP generating unit and the related biofuel contract with Imperium. Karl will also continue to spearhead key technology projects, such as the recently announced R&D partnership with Khosla Ventures and technical responsibility for the Oceanlinx project.

During this transition and to support continued alignment of all areas of the company with our Hawaii Clean Energy Initiative efforts, Dick has asked Robbie to temporarily continue in his role with operating responsibility for Oahu operations. Thus on an interim basis, all VPs will report to Robbie. Robbie,

7/13/2009

along with Senior VP Tayne Sekimura, MECO President Ed Reinhardt and HELCO President Jay Ignacio, will report to Dick.

Attached is a copy of the press release which will be issued shortly and a list detailing any changes in the lines of reporting for those managers and directors who previously reported to Tom, Karl, or Robbie.

Please join me in welcoming Dick to our company. With his broad industry experience and proven leadership skills, and the talent, strength and commitment of our own team, we are well positioned to successfully execute our important strategic plans for the future.

Connie

*** Please post this for employees who do not have access to email. ***

Julie Krucky on behalf of Connie Lau
Hawaiian Electric Industries, Inc.
P. O. Box 730
Honolulu, Hawaii 96808
Phone: (808) 543-7601
Fax: (808) 203-1178
Email: jkrucky@hei.com

7/13/2009

**New Reporting Structure
for Reassigned Managers and Directors**
(effective 12/23/08)

Executive / Manager		New Direct Report
VP, Government and Community Affairs		Garen Deweese Manager, Government Relations
VP, Customer Solutions		Darren Yamamoto Manager, Customer Service
VP, Energy Delivery		Enrique Che Manager, Customer Installations
Executive Vice President		Scott Seu Manager, Energy Projects
Executive Vice President		Art Seki Director, Technology
Manager, Corporate Planning		Kazuo Shirakawa Director, Business and Economic Analysis
Manager, Corporate Planning		Mary Ellen Nordyke-Grace Director, Energy Analysis

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To: All HECO, HELCO and MECO employees

Over the last several months, you've heard a lot about the Hawaii Clean Energy Initiative and how important it is to the future of our company and our business. As I shared in my initial email back in December and as I've emphasized in meeting with many of you since then, our companies have a leadership responsibility to create the right path for the future and key to that future is executing and delivering on our commitments under the Hawaii Clean Energy Initiative.

With that in mind, it's important that we're organized to best ensure the success of our Clean Energy efforts, while also continuing to deliver on our responsibilities for reliability and quality customer service. Equally important is ensuring that we are meeting the highest standards for corporate governance. At this time, I am instituting some organizational shifts to facilitate these responsibilities, effective Monday, March 2:

- **Executive Vice President Robbie Alm will be promoted to head a new Clean Energy organization.** Reporting to Robbie will be key functions that are critical to meeting our commitments under the Hawaii Clean Energy Initiative. These functions and the individuals responsible for them include: Government & Community Affairs (VP Darcy Endo-Omoto), Corporate Relations (VP Lynne Unemori), as well as several new or expanded areas: Energy Solutions (Manager Ron Cox), System Integration (Manager Leon Roose), Resource Acquisition (Manager Scott Seu), Energy Services (Manager Alan Hee) and Corporate Planning (Manager Colton Ching).
- **Senior VP, Finance & Administration and CFO Tayne Sekimura will play an even greater role in ensuring strong corporate governance for our utilities.**
 - Because of the importance of SEC reporting and disclosure requirements and Sarbanes-Oxley Act compliance, HELCO and MECO accounting departments (Managers Julie Payne and Lyle Matsunaga, respectively) will have dual reporting -- functionally to Tayne, while continuing to administratively report to their respective presidents, Jay Ignacio and Ed Reinhardt.
- **Vice President Dave Waller will assume a new position: Vice President, Customer Service.** The creation of this position recognizes and elevates the importance of providing consistent quality service to our customers. The following areas will report to Dave: Customer Service (Manager Darren Yamamoto), Customer Installations (Manager Enrique Che) and the CIS Project Team (Director Wayne Uehira).
- **Other changes are also being made to strengthen corporate governance:**

- To centralize reporting for this key governance function, the Legal Department (VP General Counsel Susan Li) will report to the President & CEO.
 - The Claims Division currently under Risk Management will now report to the VP General Counsel.
- Recognizing the importance of Information Technology to the achievement of corporate priorities and the importance of controls to protect our business and operating systems, the ITS area, headed by Acting Chief Information Officer Rick Stuller will also report directly to the President & CEO.
 - To ensure the alignment of all Information Technology policies and practices across our utilities, all HELCO and MECO IT personnel will report to the Hawaiian Electric ITS area under Rick Stuller.
- The Purchasing Division, already a function consolidated for our three utilities, will report to Hawaiian Electric Controller Patsy Nanbu.

I'm sure reading about all of these changes is a little hard to follow. The new organization charts should help. Click [here](#) to view them.

In addition, I am also creating two important special project teams to evaluate key areas that are fundamental to our business. A **Reliability Team** will be headed by Colton Ching. In addition, Dave Waller will lead a cross-company **Customer Experience Team** which will bring together Energy Solutions, Energy Services, AML, and other areas in order to ensure that our interactions with customers are given the highest priority. These two teams will provide a good opportunity to calibrate our current practices, identifying both existing positive actions and potential areas for improvement.

Finally, to end where I started with this note: Meeting our Clean Energy commitments is fundamental and critical to our company's future. We've created an organization that identifies key functions needed to directly support our transition to this new future. At the same time, as I said before, everyone – no matter which box on the org chart your department falls under – has a role to play in helping us successfully fulfill these commitments. This is a part of everyone's job.

For those of you I have not yet had the chance to meet, I'm looking forward to it. I realize this is a lot of change for everyone, but I feel very confident we are headed into 2009 with the right organization and right people to keep our company on the path for success.

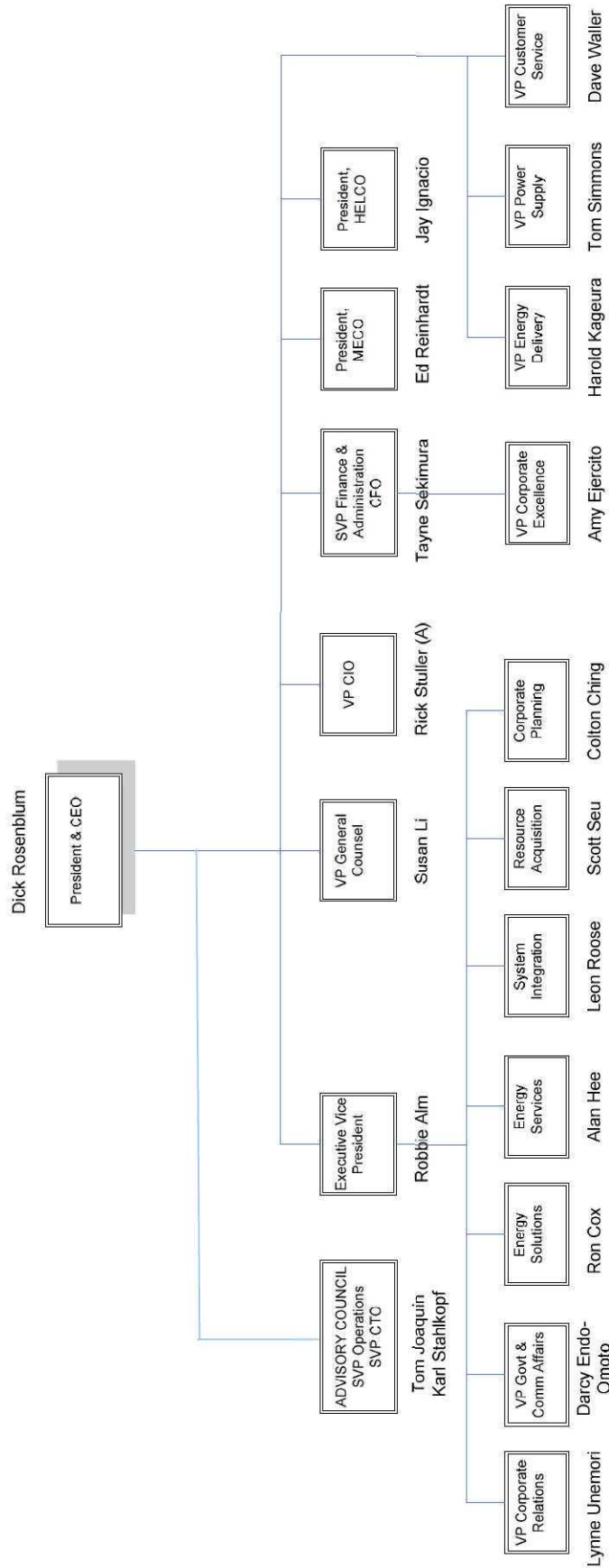
Dick

*** PLEASE POST THIS FOR EMPLOYEES WHO DO NOT HAVE ACCESS TO EMAIL

Hawaiian Electric Co., Inc. New Organization

HECO-S-1505
DOCKET NO. 2008-0083
PAGE 3 OF 10

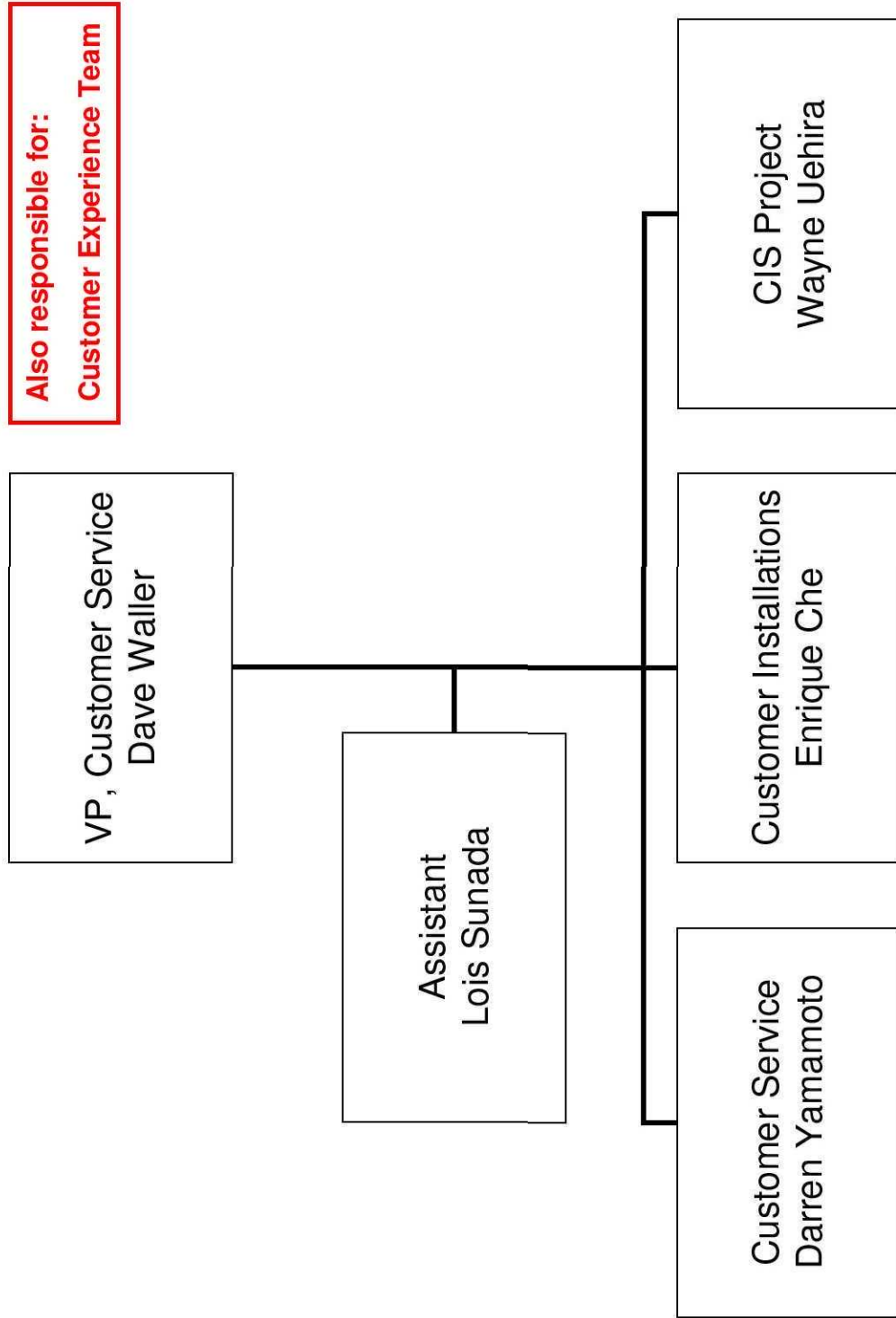
New Organization



Effective 3/2/2009

COMPANY CONFIDENTIAL (For Internal Use Only)

Customer Service



COMPANY CONFIDENTIAL (For Internal Use Only)

Corporate Planning

Also responsible for:
Electric Reliability Team

Corporate Planning
Colton Ching

Assistant
Tammy Miyashiro

Corporate Planning
Vacant

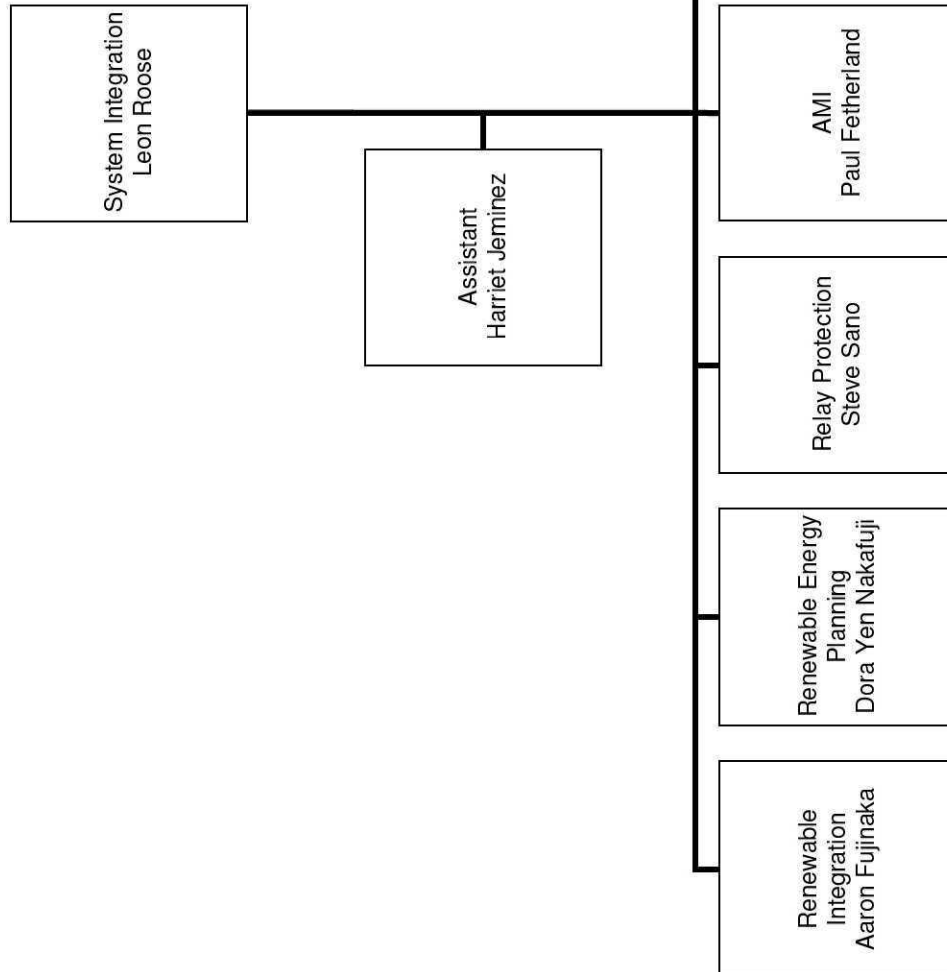
Corporate Planning
Lisa Giang
Kat Morimoto

Sales Forecasting
Cathy Hazama
Joyce Chang
Anne Fuller
Jeannine Villanueva

COMPANY CONFIDENTIAL (For Internal Use Only)

System Integration

Also responsible for project teams:
Big Wind/Inter-Island Cable
Smart Grid Initiatives
Demand Response Integration
SCADA Expansion



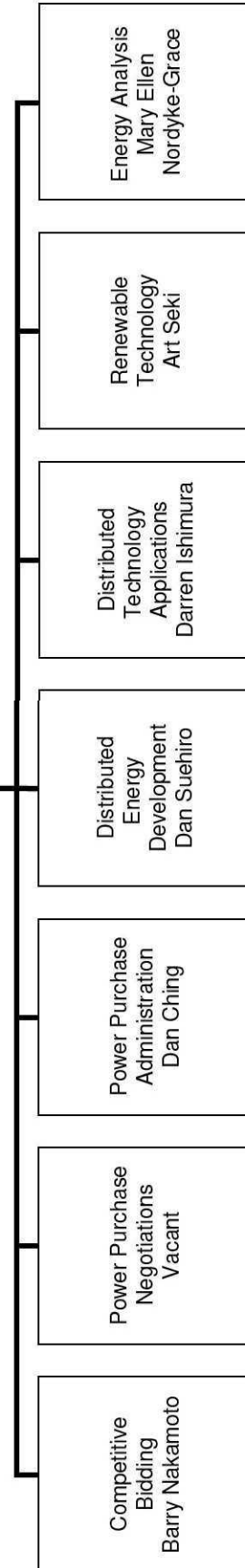
COMPANY CONFIDENTIAL (For Internal Use Only)

Resource Acquisition

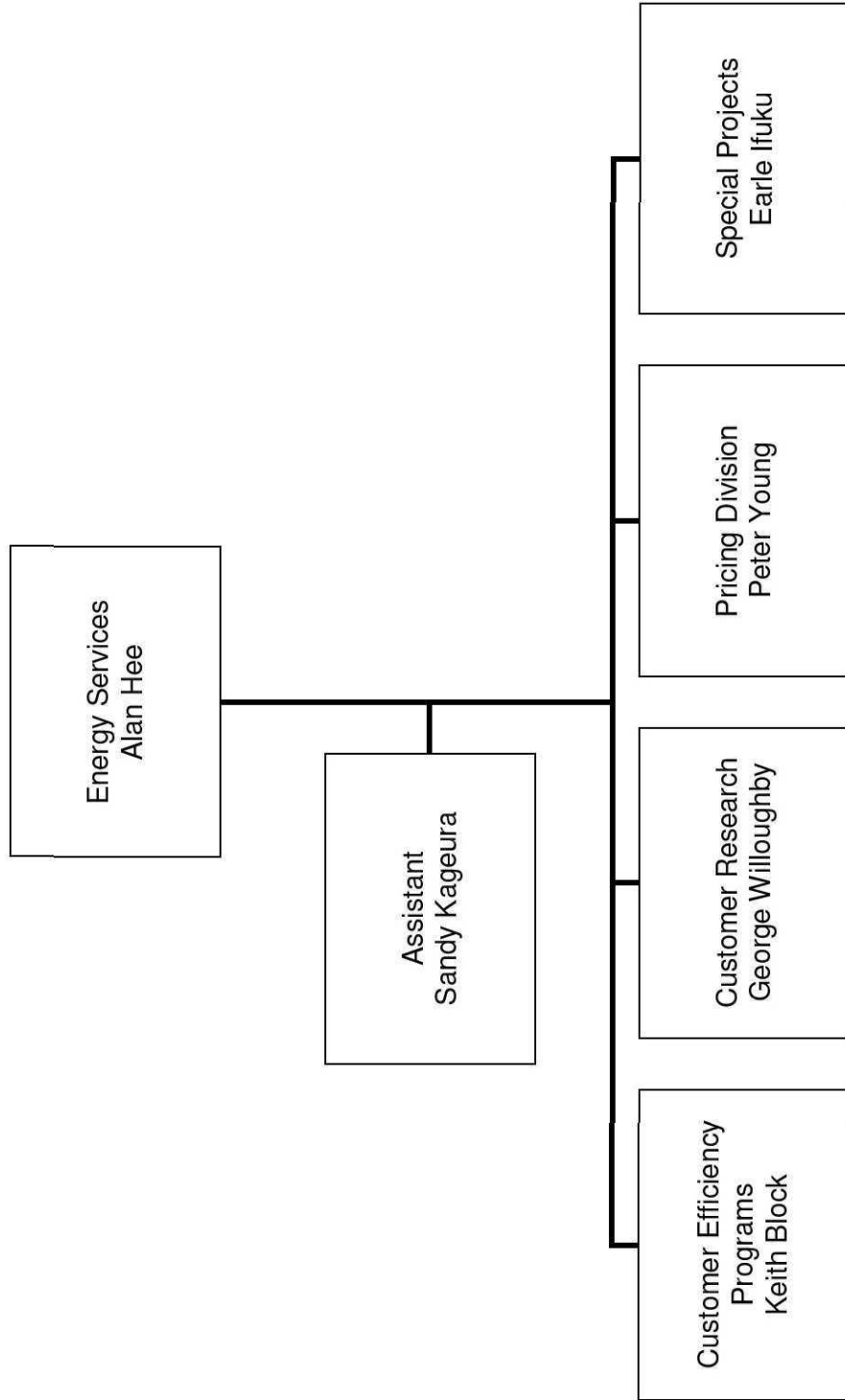
Also responsible for project teams:
Feed-in Tariffs
Biofuels Task Force
EPRI responsibilities

Resource Acquisition
Scott Seu

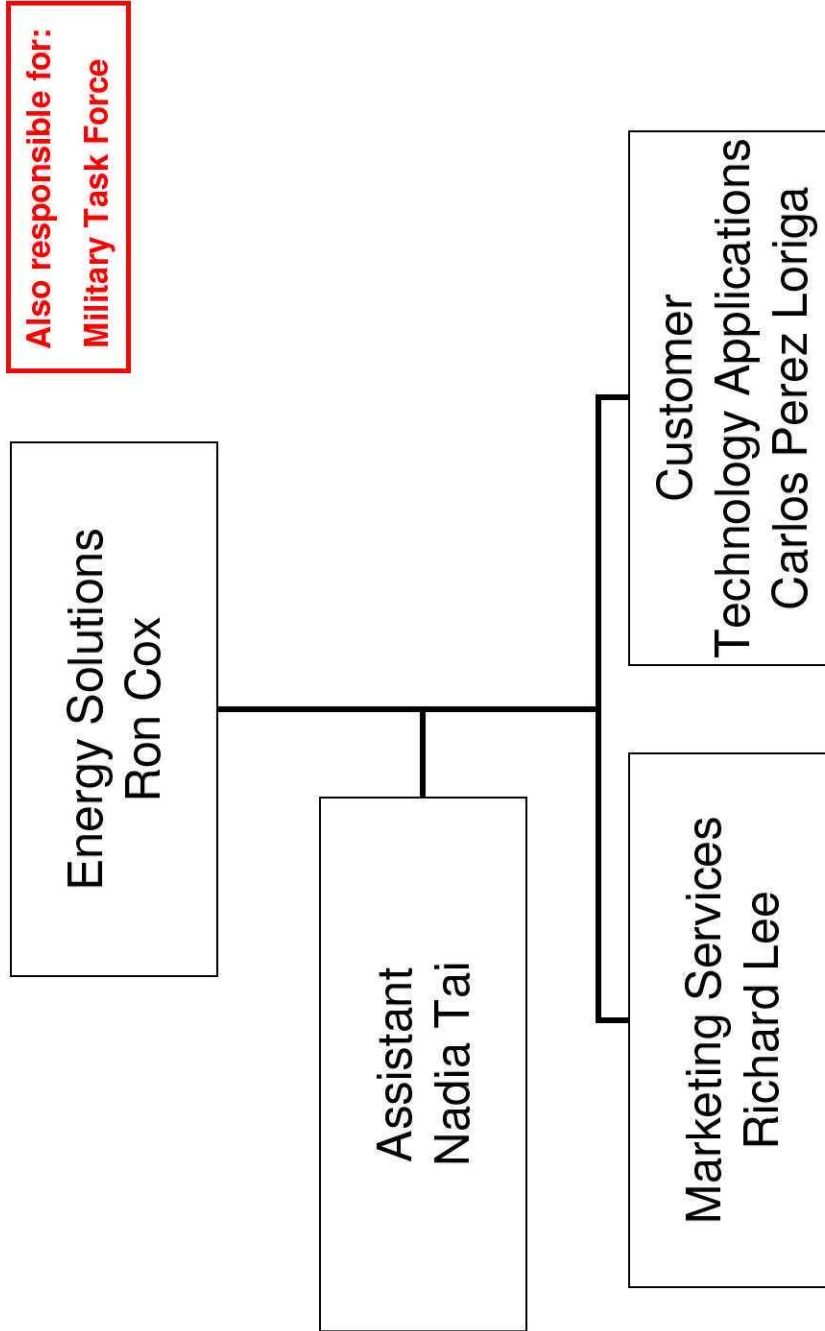
Assistant
Dana Yamashita



Energy Services



Energy Solutions



*****HECO Splicer*****

Sent on behalf of Tayne Sekimura:

In an effort to streamline the various finance-related activities and to ensure the success of our clean energy efforts, I am pleased to announce the following changes to the Finance organization, effective March 30, 2009.

The Budgets Division and the Financial Analysis Division, currently a part of the Management Accounting and Financial Analysis (MAFS) Department, will be reorganized into a new department, Budgets and Financial Analysis (see attached). I am proud to announce that **Gayle Ohashi** will lead this new department and has been promoted to **Manager, Budgets and Financial Analysis**, reporting directly to me.



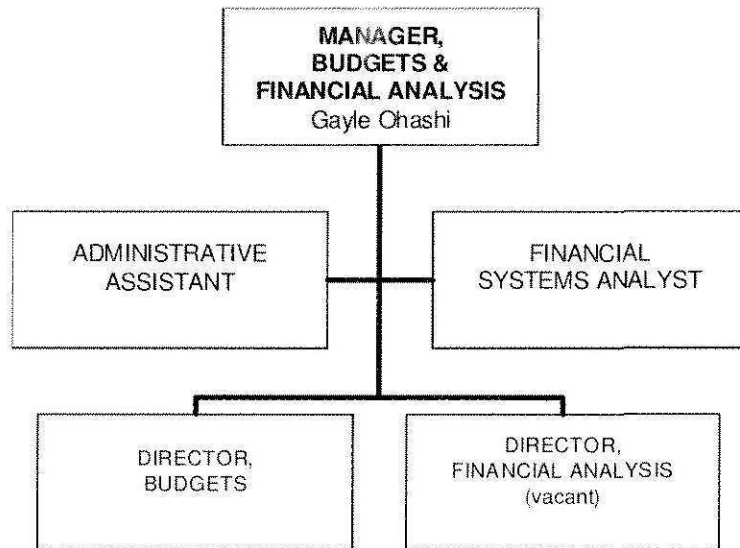
Gayle has a solid financial background and has been with the company for 19 years, including the Internal Audit and Financial Analysis Divisions. Gayle will be responsible for managing the various activities associated with financial and economic analysis for HECO, MECO, and HELCO projects, supporting various PUC filings for rate case and other regulatory matters, including the important Hawaii Clean Energy Initiative, and managing the Company's financial planning and budgeting process.

This reorganization also provides the opportunity to realign the activities of the MAFS Department, currently headed by our Treasurer, Lorie Nagata. The MAFS Department will be renamed the **Treasury and Financial Services Department**. **Russ Harris, Director, Risk Management** and his insurance administration team will report to Lorie Nagata (see attached). The Treasury and ERP Administration Divisions will continue to report to Lorie.

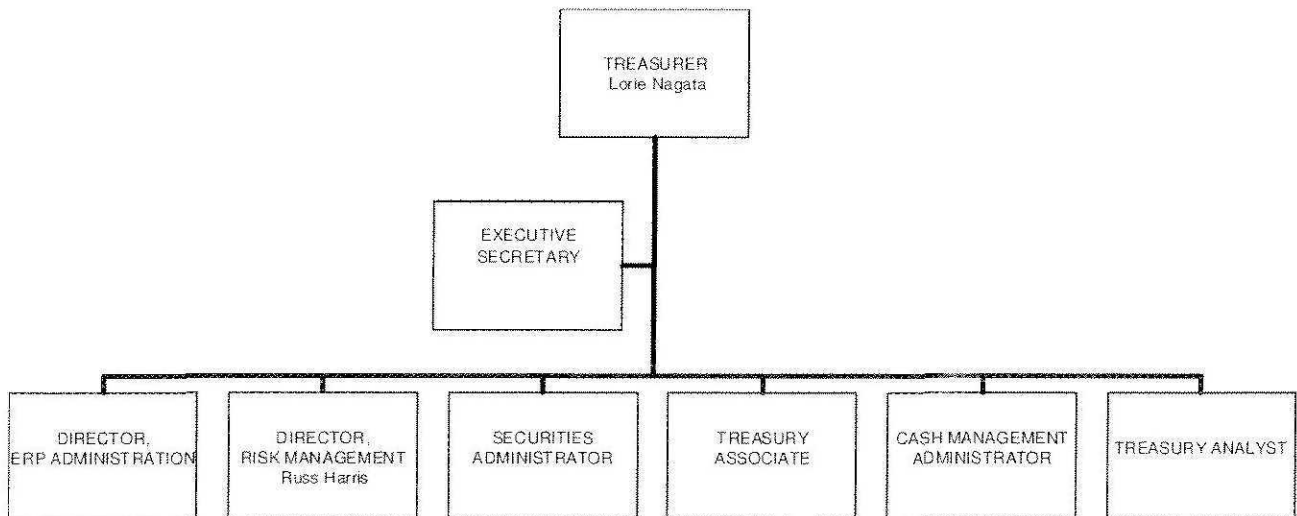
Please help me in supporting these organizational changes and the team members within, which will bring about a more efficient financial organization as we manage our day-to-day operations more effectively.

*****Please share or post for those not on email.*****

BUDGETS & FINANCIAL ANALYSIS



TREASURY & FINANCIAL SERVICES



*****HECO Splicer*****

Sent on behalf of Tom Simmons:

I am pleased to announce the following changes to the Power Supply organization, effective April 13, 2009.

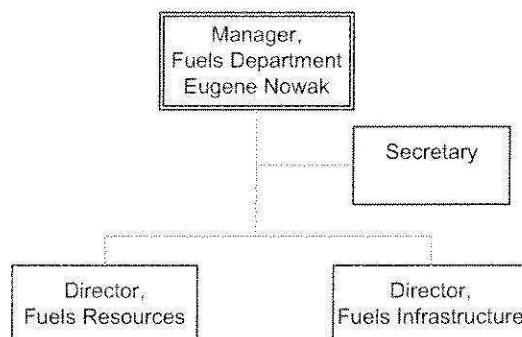


The Power Supply Services Department has been reorganized and renamed the **Fuels Department** as shown below. I am proud to announce that **Eugene Nowak** will lead this new department and has been promoted to **Manager, Fuels Department**, reporting directly to me. Eugene will be responsible for managing the activities of the department to ensure reliable and cost-effective procurement, receiving, and distribution of fuels (including bio-fuels) for HECO, HELCO, and MECO. In addition, the department's mission is to ensure that all fuel infrastructure is maintained and operated effectively and in compliance with state and federal regulations.

Eugene has a distinguished background in power generation and engineering. He is currently the Superintendent of the Technical Services Division in the Power Supply Engineering Department (PSED) and has worked as a Mechanical Engineer in PSED since May 2005. Prior to joining HECO, Eugene was the Manager of Engineering for the Navajo Generating Station of the Salt River Project (SRP) in Arizona, supervising over 60 personnel. Eugene has over 25 years of experience at SRP in increasingly responsible engineering and maintenance positions.

Eugene received a Bachelor of Science in Mechanical Engineering degree from the University of Wisconsin – Milwaukee. He is a registered Professional Engineer in Arizona and Hawaii. His previous registrations included American Welding Society Certified Welding Inspector and Owner User Inspector for SRP with certification issued by the National Board of Boiler and Pressure Vessel Inspectors.

Fuels Department



*****Please share or post for those not on email.*****

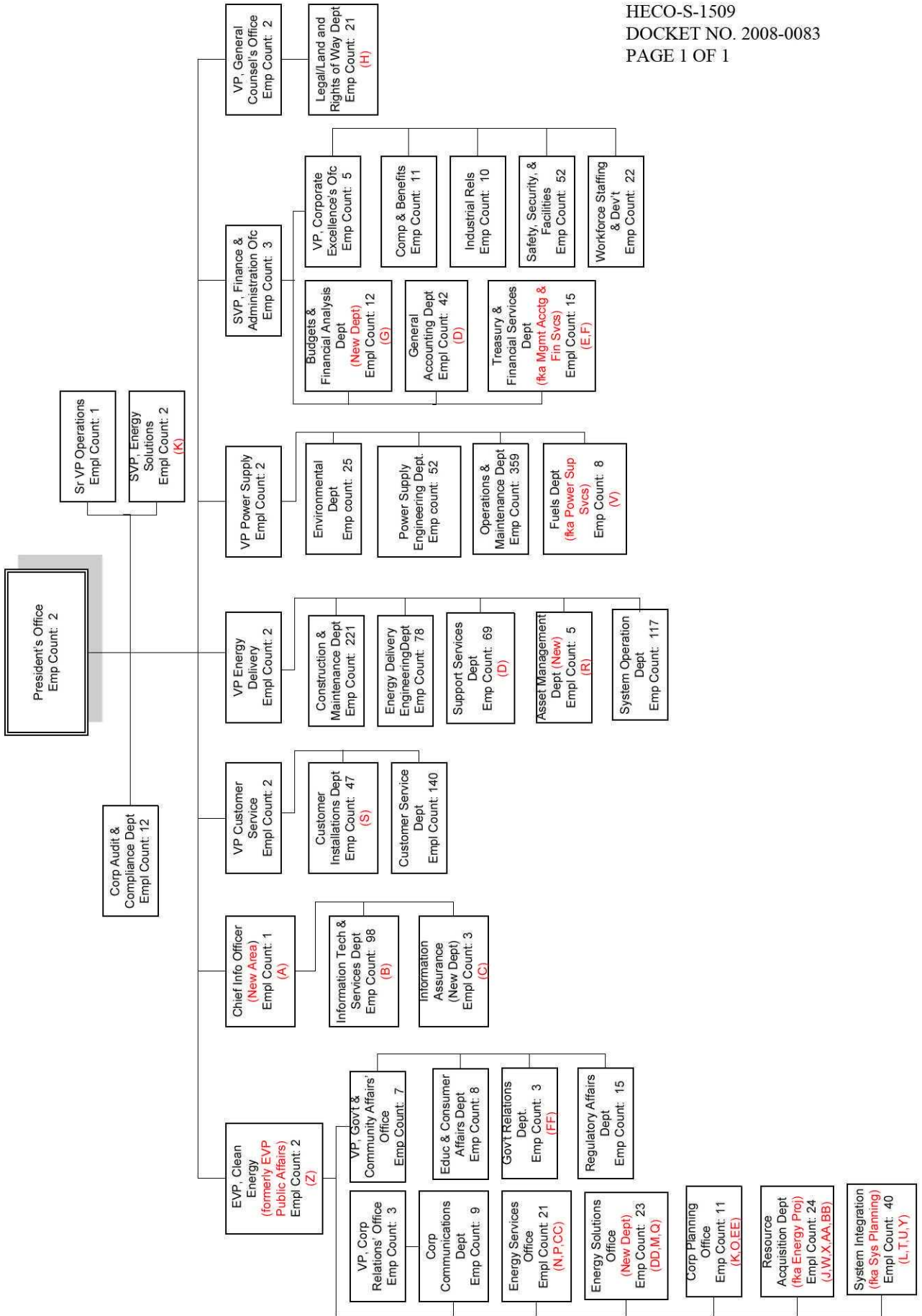
		= areas for which Faye is responsible for testimony	1607
REF		COUNTS REALLOCATED TO NEW ORGANIZATION (3/2/09 REORG AND SUBSEQUENT)	6/30/09 Actual Staffing
		President's Office	
		Corporate Audit & Compliance (Formerly Internal Audit)	12
		President's Office	2
		Subtotal	14
		VP-Corporate Excellence	
		Compensation & Benefits	11
		Industrial Relations	10
		Safety, Security & Facilities	52
		Workforce Staffing & Development	22
		VP-Corporate Excellence's Office	5
		Subtotal	100
A		VP-Chief Information Officer (new area est. 3/2/09)	
B		Information Technology	98
C		Information Assurance	3
		VP-Chief Information Officer	1
		Subtotal	102
		SVP-Finance & Administration	
		General Accounting	42
D		Receive Purchasing function from Support Svcs.	
B		Information Technology & Services (move to new VP-CIO area)	
E		Treasury and Financial Services (formerly Management Accounting & Fin Svcs)	15
F		Receive Risk Management insurance function	
G		Move Budgets and Finance to new department	
G		Budgets & Financial Analysis (new dept; receive 13 positions from former Mgmt Acctg & Fin Svcs)	12
		Risk Management	
F		Move Insurance function to Treas. & Financial Svcs	
H		Move Claims division to Legal Department	
		Sr. VP Finance & Administration's Office	3
		Subtotal	72
		VP-General Counsel	
H		Legal/Land and Rights of Way	21
		Receive Claims division from Risk Management	
		VP-Gen Counsel's Office	2
		Subtotal	23
		Sr. VP-Energy Solutions	
		Customer Installations	
		Energy Projects (renamed Resource Acquisition)	
		Technology (renamed Renewable Technology)	
AA		Moved Renewable Technology to Resource Acquisition	
		Sr. VP-Energy Solutions' Office	2
J		Moved Energy Analysis position to Resource Acquisition eff 3/2/09	
K		Moved Dir, Bus & Economic Analysis position to Corp Planning eff 3/2/09	
		Subtotal	2

REF	COUNTS REALLOCATED TO NEW ORGANIZATION (3/2/09 REORG AND SUBSEQUENT)	6/30/09 Actual Staffing
	VP-Customer Service (formerly VP Cust. Solutions)	
	Customer Installations	47
L	Move AMI function to new dept - System Integration (formerly System Planning)	
	Customer Service (received from SVP Opns)	140
M	Customer Technology Applications (moved to new dept - Energy Solutions)	
N	Energy Services**† (moved to EVP eff 3/2/09)	
	Forecasts & Research†	
O	Moved Forecasts function to Corp Planning Dept. eff 3/2/09	
P	Moved Research function to Energy Services Dept. eff 3/2/09	
Q	Marketing Services (moved to new dept. Energy Sols. Eff 3/2/09)	
	VP-Customer Service Office	2
	Subtotal	189
	Sr. VP-Operations	
	Customer Service (Move to VP Cust. Solns)	
	Sr. VP-Operations' Office	1
	Subtotal	1
	VP-Energy Delivery	
R	Asset Management (new department)	5
	Construction & Maintenance	221
S	Customer Installations (receive from SVP Energy Sol, and moved again to VP-Cust Svc with 3/2/09 reorg)	
	Engineering	78
T	Move Relay Protection function to new dept - System Integration (formerly System Planning)	
U	Move Distribution Planning Div to new dept - System Integration (formerly System Planning)	
	Support Services	69
D	Move Purchasing Div. to General Acct department	
	System Operation	117
R	Positions moved to create Asset Management	
	VP-Energy Delivery's Office	2
	Subtotal	492
	VP-Power Supply	
	Environmental	25
	Power Supply Engineering (formerly Planning & Engineering)	52
	Power Supply Operations & Maintenance	359
V	Fuels (former Power Supply Services)	8
W	Move Power Purchase Admin Div. to new dept. - Resource Acquisition	
X	Move Renewable Power Purchase Nego. Div to new dept - Resource Acquisition	
U	System Integration (formerly System Planning); moved to EVP	
	VP-Power Supply 's Office	2
Y	Move Renewable Integration position to new dept - System Integration (formerly System Planning)	
	Subtotal	446

REF	COUNTS REALLOCATED TO NEW ORGANIZATION (3/2/09 REORG AND SUBSEQUENT)	6/30/09 Actual Staffing
Z	Exec. VP, Clean Energy (formerly EVP-Public Affairs)	
	Corporate Planning (Est. 8/11/08)	11
O,P	Moved Forecasts function from Forecasts & Research Div., formerly of VP-Cust Sols.	
K	Received Dir, Bus & Economic Analysis from SVP-Energy Sols	
	Resource Acquisition (received from SVP Energy Sol); formerly Energy Projects eff 3/2/09	24
BB	Received Competitive Bidding Div. From System Planning	
W	Received Power Purchase Admin Div. From Fuels (former Power Supply Svc.)	
X	Received Renewable Power Purchase Nego. Div from Fuels (formerly Power Supply Svc.)	
AA	Received Renewable Technology from SVP-Energy Sol; formerly Technology Div	
J	Received Energy Analysis from SVP-Energy Sols	
U	System Integration (received from VP Power Supply eff 3/2/09); formerly System Planning	40
BB	Move Competitive Bidding Division to Resource Acquisition	
Y	Received Renewable Integration function from VP-Power Supply eff 3/2/09)	
T	Received Relay Protection function from Engineering dept., VP-Energy Delivery eff 3/2/09)	
L	Received AMI function from Customer Installations dept, eff 3/2/09	
U	Received Distribution Planning function from Engineering dept, VP-Energy Delivery eff 3/2/09	
N	Energy Services received from VP-Cust Sols eff 3/2/09	21
CC	Received Special Projects Director position from Customer Service VP	
P	Received Research function from Forecasts & Research Div., formerly of VP-Cust Sols.	
DD	Energy Solutions (new dept eff 3/2/09)	23
Q	Received Marketing Svcs. from former VP -Customer Sols.	
M	Received Customer Tech Applications from former VP-Customer Sols.	
	Government Relations	
EE	Integrated Resource Planning	
BB	Renewable Technology (formerly Technology Div.) moved under Resource Acquisition	
	EVP Office (formerly EVP-Public Affairs) eff 3/2/09	2
	Subtotal	121
	VP-Corporate Relations	
	Corporate Communications	9
	VP-Corporate Relations' Office	3
	Subtotal	12
	VP-Government & Community Affairs	
FF	Education & Consumer Affairs	8
	Governmental Relations (received from former EVP Public Affairs)	3
	Regulatory Affairs	15
	VP-Gov't & Comm Affairs' Office	7
	Subtotal	33
	Company Total	1607

HAWAIIAN ELECTRIC COMPANY, INC.

Actual employee count as of 6/30/09
(Current Organization)



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Hawaiian Electric Company, Inc.
Headcount Comparison Under Former Organization

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	a	b	c	d	e	f	g	h	i
CONSISTENT HISTORICAL COMPARISON BEFORE MARCH 2, 2009 REORGANIZATION	2007 Recorded EOY	2007 Year Average	Updated 2007 EOY Test Year	Sett 2007 Test Year Average	2008 Recorded EOY	Updated 2009 Test Year EOY	Updated 2009 Test Year Average**	Difference 2009 Upd Ave vs. Sett 2007 TY Ave.	6/30/09 Actual Staffing
President's Office									
Corporate Audit & Compliance (Formerly Internal Audit)	9	10	12	10	12	13	13	3	12
President's Office	3	3	5	4	1	3	3	-1	2
Subtotal	12	13	17	14	13	16	16	2	14
Sr. Exec VP	Office eliminated in T-15 Update								
VP-Corporate Excellence									
Compensation & Benefits	10	12	15	10	11	11	11	1	11
Industrial Relations	9	8	9	9	10	10	10	1	10
Safety, Security & Facilities	47	44	47	49	50	52	52	3	52
Workforce Staffing & Development	17	17	17	17	18	25	23	6	22
VP-Corporate Excellence's Office	4	3	2	3	5	4	4	1	5
Subtotal	87	84	90	88	94	102	100	12	100
SVP-Finance & Administration									
General Accounting	26	25	26	26	27	28	28	2	27
Information Technology & Services	89	92	94	94	93	97	97	3	102
Management Accounting & Fin Svcs	20	21	22	22	21	23	23	1	23
Risk Management	9	9	9	9	9	9	9	0	9
Sr. VP Finance & Administration's Office	3	4	3	3	3	3	3	0	3
Subtotal	147	151	154	154	153	160	160	6	164
VP-General Counsel									
Legal/Land and Rights of Way	15	16	16	16	17	17	17	1	16
VP-Gen Counsel's Office	2	2	2	2	2	2	2	0	2
Subtotal	17	18	18	18	19	19	19	1	18
Sr. VP-Energy Solutions									
Customer Installations (move to VP Energy Delivery)	50	46	53						
Energy Projects (move to EVP Public Affairs)	9	9	9						
Technology (move to EVP Public Affairs)	3	3	3						
Sr. VP-Energy Solutions' Office	4	4	4	4	2	4	4	0	3
Subtotal	66	62	69	4	2	4	4	0	3
VP-Customer Solutions*									
Customer Service (receive from SVP Operations)				131	150	148	148	17	140
Customer Technology Applications	9	9	10	9	9	9	9	0	9
Energy Services*	12	11	19	19	11	16	16	-3	14
Forecasts & Research	10	10	10	10	10	10	10	0	10
Marketing Services	11	12	12	11	11	12	12	1	12
VP-Customer Solutions' Office	2	2	2	2	3	3	3	1	3
Subtotal	44	44	53	182	194	198	198	16	188
Sr. VP-Operations									
Customer Service (move to VP Customer Solutions)	136	132	133						
Sr. VP-Operations' Office	2	2	3	3	2	2	2	-1	1
Subtotal	138	134	136	3	2	2	2	-1	1
VP-Energy Delivery									
Asset Management									
Construction & Maintenance	215	216	220	220	220	222	222	2	221
Customer Installations (receive from SVP Energy Solutions)				49	50	55	55	6	51
Engineering	83	86	85	84	82	85	85	1	90
Support Services	84	82	85	82	83	85	85	3	84
System Operation	114	110	117	112	115	123	122	10	122
VP-Energy Delivery's Office	2	2	2	2	2	2	2	0	2
Subtotal	498	496	509	549	552	572	571	22	570
VP-Power Supply									
Environmental	24	22	24	24	25	25	25	1	25
Power Supply Engineering (formerly Planning & Engineering)	46	44	46	46	50	53	53	7	52
Power Supply Operations & Maintenance	333	326	353	353	343	375	375	22	359
Power Supply Services	13	12	12	11	15	17	17	6	17
System Planning	19	19	23	22	19	26	25	3	26
VP-Power Supply 's Office	2	2	2	2	3	3	3	1	3
Subtotal	437	425	460	458	455	499	498	40	482
VP-Special Projects	0	0	1	1					
Exec. VP-Public Affairs									
Corporate Planning (Est. 8/11/08)				6	9	8	8	2	7
Energy Projects (receive from SVP Energy Solutions)				8	9	11	10	2	10
Government Relations (move to VP Gov't & Community Affairs)	3	3	3						
Integrated Resource Planning	5	5	6						
Technology (receive from SVP Energy Solutions)				3	3	3	3	0	3
EVP-Public Affairs' Office	3	3	2	2	2	2	2	0	2
Subtotal	11	11	11	19	23	24	23	4	22
VP-Corporate Relations									
Corporate Communications	9	8	10	9	9	9	9	0	9
VP-Corporate Relations' Office	3	3	2	2	3	3	3	1	3
Subtotal	12	11	12	11	12	12	12	1	12

	a	b	c	d	e	f	g	h	i
CONSISTENT HISTORICAL COMPARISON BEFORE MARCH 2, 2009 REORGANIZATION	2007 Recorded EOY	2007 Year Average	Updated 2007 EOY Test Year	Sett 2007 Test Year Average	2008 Recorded EOY	Updated 2009 Test Year EOY	Updated 2009 Test Year Average**	Difference 2009 Upd Ave vs. Sett 2007 TY Ave.	6/30/09 Actual Staffing
VP-Government & Community Affairs									
Education & Consumer Affairs	8	7	8	8	8	8	8	0	8
Governmental Relations (receive from EVP Public Affairs)				3	3	3	3	0	3
Regulatory Affairs	9	9	15	11	14	15	15	4	15
VP-Gov't & Comm Affairs' Office	7	7	7	7	7	7	7	0	7
Subtotal	24	23	30	29	32	33	33	4	33
Company Total	1493	1472	1560	1530	1551	1641	1636		1607
**Less: Vacancy Rate Adjustment (2009 Settlement Agreement)							-35		
2009 Test Year Settlement Average							1601		
Difference 2007 Settlement TY Ave. vs. 2009 Settlement TY Ave							71		

*Employee counts include interns and temporary employees on HECO payroll, but exclude employees covered under the SSP and DSM surcharge adjustment docket from all years.

** The vacancy rate adjustment in the 2009 Final Settlement is equivalent to a reduction of 35 positions from the 2009 Test Year Average. Rather than applying the reduction against a particular department, the rate is compared against HECO's total staffing.

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	COUNTS REALLOCATED TO NEW ORGANIZATION (MARCH 2, 2009 REORGANIZATION AND SUBSEQUENT)	2007 Recorded EOY	2007 Year Average	Updated 2007 EOY Test Year	(Adjusted) Settlement 2007 TY Average	2008 Recorded EOY	2009 Update Test Year EOY	(Adjusted) 2009 Update TY Average	Difference 2009 Upd Ave - Sett 2007 Test Year Ave	6/30/09 Actual Staffing
Forecasts & Research†		10	10	10	0	10	10	0	0	
Moved Forecasts function to Corp Planning Dept. eff 3/2/09							-4			
Moved Research function to Energy Services Dept. eff 3/2/09							-6			
Marketing Services (moved to new dept. Energy Sols. eff 3/2/09)	Division moved to new dept. Energy Solutions in 3/2/09 reorg; historical data moved									
VP-Customer Service Office		2	2	2	2	3	2	2	0	2
Subtotal		198	190	198	182	163	199	199	17	189
Sr. VP-Operations										
Customer Service (Move to VP Cust. Solns)	Department moved to VP Customer Sols in 3/2/09 reorg; historical data moved									
Sr. VP-Operations' Office		2	2	3	3	2	2	2	-1	1
Subtotal		2	2	3	3	2	2	2	-1	1
VP-Energy Delivery										
Asset Management (new department)						2	5	4	4	5
Construction & Maintenance		215	216	220	220	220	222	222	2	221
Customer Installations (receive from SVP Energy Sol, and moved again to VP-Cust Svc with 3/2/09 reorg)	Move to VP-Cust Svc with 3/2/09 reorg									
Engineering		83	86	85	73	82	85	74	1	78
Moved Relay Protection function to new dept - System Integration (formerly System Planning)							-4			
Moved Distribution Planning Div to new dept - System Integration (formerly System Planning)							-7			
Support Services		84	82	85	67	83	85	70	3	69
Moved Purchasing Div. to General Acct department							-15			
System Operation		114	110	117	112	113	123	118	6	117
Positions moved to create Asset Management							-5			
VP-Energy Delivery's Office		2	2	2	2	2	2	2	0	2
Subtotal		498	496	509	474	552	491	490	16	492
VP-Power Supply										
Environmental		24	22	24	24	25	25	25	1	25
Power Supply Engineering (formerly Planning & Engineering)		46	44	46	46	50	53	53	7	52
Power Supply Operations & Maintenance		333	326	353	353	343	375	375	22	359
Fuels (formerly Power Supply Services)		13	12	16	8	15	17	9	1	8
Moved Power Purchase Admin Div. to new dept. - Resource Acquisition							-6			
Moved Renewable Power Purchase Nego. Div to new dept - Resource Acquisition							-2			
System Integration (formerly System Planning); moved to EVP	Department moved to EVP in 3/2/09 reorg; historical data moved for comparison									
VP-Power Supply 's Office		2	2	2	2	3	3	2	0	2
Moved Renewable Integration position to new dept - System Integration (formerly System Planning)							-1			
Subtotal		418	406	441	433	436	464	464	31	446
VP Special Projects										
		0	0	1	0	Office dissolved in January 2007				
Exec. VP, Clean Energy (formerly EVP-Public Affairs)										
Corporate Planning (Est. 8/11/08)		5	5	6	12	9	8	13	1	11
Moved Forecasts function from Forecasts & Research Div., formerly of VP-Cust Sols.							4			
Received Dir, Bus & Economic Analysis from SVP-Energy Sols							1			
Resource Acquisition (received from SVP Energy Sol); formerly Energy Projects eff 3/2/09		9	9	9	21	9	11	25	4	24
Received Competitive Bidding Div. From System Planning							3			
Received Power Purchase Admin Div. From Fuels (former Power Supply Svc.)							6			

	2007 Recorded EOY	2007 Year Average	Updated 2007 EOY Test Year	(Adjusted) Settlement 2007 TY Average	2008 Recorded EOY	2009 Update Test Year EOY	(Adjusted) 2009 Update TY Average	Difference 2009 Upd Ave - Sett 2007 Test Year Ave	6/30/09 Actual Staffing
COUNTS REALLOCATED TO NEW ORGANIZATION (MARCH 2, 2009 REORGANIZATION AND SUBSEQUENT)									
Received Renewable Power Purchase Nego. Div from Fuels (formerly Power Supply Svc.)						2			
Received Renewable Technology from SVP-Energy Sol; formerly Technology Div	3	3	3		3	3			
Received Energy Analysis from SVP-Energy Sols						1			
System Integration (received from VP Power Supply eff 3/2/09); formerly System Planning	19	19	19	28	19	26	40	12	40
Move Competitive Bidding Division to Resource Acquisition						-3			
Received Renewable Integration function from VP-Power Supply eff 3/2/09)						1			
Received Relay Protection function from Engineering dept., VP-Energy Delivery eff 3/2/09)						4			
Received AMI function from Customer Installations dept, eff 3/2/09						6			
Received Distribution Planning function from Engineering dept, VP-Energy Delivery eff 3/2/09						7			
Energy Services received from VP-Cust Sols eff 3/2/09	12	11	19	25	11	16	23	-2	21
Received Special Projects Director position from Customer Service VP						1			
Received Research function from Forecasts & Research Div., formerly of VP-Cust Sols.						6			
Energy Solutions (new dept eff 3/2/09)				20			21	1	23
Received Marketing Svcs. from former VP -Customer Sols.	11	12	12		11	12			
Received Customer Tech Applications from former VP- Customer Sols.	9	9	10		9	9			
Government Relations	Move to VP Government & Community Affairs								
Integrated Resource Planning	Redeployed into Corporate Planning Dept.; historical data moved for comparative purposes								
Renewable Technology (formerly Technology Div.) moved under Resource Acquisition	Function moved under Resource Acquisition Department in 3/2/09 reorg; historical data moved for co								
EVP Office (formerly EVP-Public Affairs) eff 3/2/09	3	3	2	2	2	2	2	0	2
Subtotal	71	71	80	108	73	126	124	16	121
VP-Corporate Relations									
Corporate Communications	9	8	10	9	9	9	9	0	9
VP-Corporate Relations' Office	3	3	2	2	3	3	3	1	3
Subtotal	12	11	12	11	12	12	12	1	12
VP-Government & Community Affairs									
Education & Consumer Affairs	8	7	8	8	8	8	8	0	8
Governmental Relations (received from former EVP Public Aff	3	3	3	3	3	3	3	0	3
Regulatory Affairs	9	9	15	11	14	15	15	4	15
VP-Gov't & Comm Affairs' Office	7	7	7	7	7	7	7	0	7
Subtotal	27	26	33	29	32	33	33	4	33
Company Total	1493	1472	1560	1530	1551	1641	1636	106	1607
**Less: Vacancy Rate Adjustment (2009 Settlement Agreement)							-35		
2009 Test Year Settlement Average							1601		
Difference 2007 Settlement TY Ave. vs. 2009 Settlement TY Ave							71		

*Employee counts include interns and temporary employees on HECO payroll, but exclude employees covered under the SSP and DSM surcharge adjustment docket from all years.

** The vacancy rate adjustment in the 2009 Final Settlement is equivalent to a reduction of 35 positions from the 2009 Test Year Average. Rather than applying the reduction against a particular department, the rate is compared against HECO's total staffing.

	2007 Recorded EOY	2007 Upd Test Year Average	Sett 2007 Test Year Average	a	b	Updated 2009 Test Year Average	Diff b-a	Position(s)	Explanation	6/30/09 Actual Count
President's Office										
Corporate Audit and Compliance (formerly Internal Audit)	9	12	10	13	3	Internal Auditor (replacement)			Position vacant at 2006 year end, resulting in a .5 headcount reduction; see HECO T-14, Attachment 1(C) Final Settlement. Position filled.	12
						Department Secretary (replacement)			Position vacant at 2006 year end, resulting in a .5 headcount reduction; see HECO T-14, Attachment 1(C) Final Settlement. Position filled. Also see discussion in HECO T-15, pp. 18-19, explaining the need and responsibilities for the position.	
						Intern (s) (new)			As discussed in HECO T-15, p. 19, Four interns to be hired partial year to assist with Sarbanes Oxley compliance; net increase to count is by two positions. See HECO-WP-1501 for timing and test year average calculation.	
President's Office	3	5	4	3	-1	Director, Strategic Initiatives			Position transferred to Corporate Planning; see T-15 Update, pages 8-10.	2
VP-Corporate Excellence										
Compensation & Benefits	10	15	10	11	1	Pension Specialist (replacement)			See HECO T-14, p. 16. Position vacant at 2006 year end, resulting in .5 headcount reduction. See HECO T-14 Final Settlement Attachments 1C & 1D. Position filled by external candidate on 4/16/07.	11
Industrial Relations	9	9	9	10	1	Industrial Relations Consultant (additional in 2009 Update)			See HECO T-15 Update, pages 2-3 and CPS in HECO T-15 Update Attachment 2. Position filled by external candidate in 2008.	10
Safety, Security & Facilities	47	47	49	52	3	Security Officer (replacement)			Two positions vacant at 2006 year end resulting in a net 1 headcount reduction; see HECO August Supplement (September 5, 2007), HECO T-14, Attachment 3. Both subsequently filled.	52
						Custodian (replacement)/Facilities Maintenance Engineer (new/add in 2007 Test Year)			Two positions vacant at 2006 year end, resulting in a net 1 headcount reduction; see Final Settlement, HECO T-14, Attachments 1(B) (lines 27 and 28) and 1(C) (lines 2 and 3); both positions subsequently filled. Also, see discussion in HECO T-14, pp. 16-1	
						Security Officer (new in 2009)			Position added in 2009 to meet increased security needs; see HECO T-15, pages 23 and 24. Filled by external candidate.	
Workforce Staffing & Development	17	17	17	23	6	Talent Assessment and Development (TAD) Specialist (new in 2009)			See HECO T-15, pp. 25-26. Position filled by external candidate in January 2009.	22
						TAD Coordinator (new in 2009)			See HECO T-15, pp. 25-26. Position filled by external candidate in March 2009.	
						Org Development Analyst (new in 2009)			See HECO T-15, pp. 29-30. Position filled by external candidate in February 2009.	
						2- Corp Interns (new program, budgeted for 9 months)			See HECO T-15, pp. 26-28. Program start date moved to April 2009 in HECO T-15 Update, pp. 3-4. See program update at HECO-S-1519	

	2007 Recorded EOY	2007 Upd Test Year Average	a	b Updated 2009 Test Year Average	Diff b-a	Position(s)	Explanation	6/30/09 Actual Count
VP-Corporate Excellence's Office	4	2	3	4	1	2.5 - Corp Mentors (new program, budgeted for 9 months)	See HECO T-15, pp. 28-29. Program start date moved to April 2009 in HECO T-15 Update, pp. 3-4. Also see Updated HECO-WP-1501. See program update at HECO-S-1519.	
SVP-Finance & Administration						Director, Corporate Excellence Compliance (new in 2008)	Needed to assist Vice President in carrying out Corporate Compliance Officer responsibilities. See position description at HECO-S-1520. Position filled April 2008.	5
Information Technology & Services	89	94	94	97	3	3- Development Services Analysts (additional in 2009)	See HECO T-15, pp. 32-33. Note: New stand alone IT area established, see HECO-S-1513.	102
Management Accounting & Fin Svcs	20	22	22	23	1	Senior Financial Analyst (additional)	Needed to address heavy workload. See HECO T-15 Update, pp. 7-8. Difficult to find qualified candidates. Position filled as Manager, Budgets and Finance in reorganization announced in HECO-S-1506.	23
Risk Management	9	9	9	9	0			9
Sr. VP Finance & Administration's Office	3	3	3	3	0			3
VP-General Counsel								
Legal/Land and Rights of Way	15	16	16	17	1	Associate General Counsel (additional)	Position filled by external candidate in March 2007 to work primarily on regulatory matters due to the significant number of regulatory initiatives the utilities either had brought before the Public Utilities Commission or anticipated filing in the near future.	16
VP-Gen Counsel's Office	2	2	2	2	0			2
Sr. VP-Energy Solutions								
Sr. VP-Energy Solutions' Office	4	4	4	4	0			3
VP-Customer Solutions*								
VP-Customer Solutions' Office	2	2	2	3	1	Special Project Director (new)	See HECO T-15 Update, p. 5. Also, see HECO T-10 Update, pp. 1, 3-4 and discussion in HECO ST-10.	3
Sr. VP-Operations						Manager, Operations Strategic Planning	Position deployed to head Power Supply Services Department and not backfilled.	1
Sr. VP-Operations' Office	2	3	3	2	-1			
VP-Energy Delivery								
Customer Installations (receive from SVP Energy Solutions)	50	53	49	55	6	Director, AMI (new)	See HECO ST-15 p. 26. Position filled in July 2007. Position has transferred to post-reorganization System Integration Dept.	51
						AMI Systems Administrator (new)	See HECO ST-15 p. 26. Position filled in September 2007. Position has transferred to post-reorganization System Integration Dept.	
						AMI Project Manager (new)	See HECO T-15, p. 36 and HECO ST-15 p. 26. Position filled in September 2007. Position has transferred to post-reorganization System Integration Dept.	
						AMI Project Engineer (new)	See HECO ST-15 p. 26. Position filled in July 2009. Position has transferred to post-reorganization System Integration Dept.	

2007 Final Settlement Test Year Average vs. Updated 2009 Test Year Average Staffing Requirement Comparisons
HECO ST-15

Hawaiian Electric Company, Inc.

	2007 Recorded EOY	2007 Upd Test Year Average	Sett 2007 Test Year Average	a	b	Diff b-a	Position(s)	Explanation	6/30/09 Actual Count
VP-Energy Delivery's Office	2	2	2		2	0	2-AMI Systems Engineers (new)	See HECO T-15, p. 36 and HECO ST-15 p. 26. Positions will be filled in August 2009 (offers accepted) .. Position has transferred to post-reorganization System Integration Dept.	2
VP-Power Supply									
VP-Power Supply's Office	2		2	2	3	1	Manager, Renewable Integration (new)	Position filled in January 2008 to manage and facilitate integration of renewable energy projects into HECO system. See position description in HECO-S-1527.	3
Exec. VP-Public Affairs									
Corporate Planning (Est. 8/11/08)	5	6	6	6	8	2	Manager (new) Director (transfer position from President's office)	See HECO T-15 Update, pp. 8-10. Position filled in August 2008.	7
								See HECO T-15 Update, pp. 8-10.	
Energy Projects (receive from SVP Energy Solutions)	9	9	8	8	10	2	2-Sr. Tech Svcs Engr (new, HCEI)	See HECO T-15 Update, pp. 6-7. Positions have transferred to post-reorganization Resource Acquisition Dept.	10
Technology (receive from SVP Energy Solutions)	3	3	3	3	3	0			3
EVP-Public Affairs' Office	3	2	2	2	2	0			2
VP-Corporate Relations									
Corporate Communications	9	10	9	9	9	0		Position vacant at 2006 year end resulting in a .5 headcount reduction; see HECO T-14, Attachment 1(C) Final Settlement, line 29. Position filled. Also see discussion in HECO T-15, pp. 18-19.	9
VP-Corporate Relations' Office	3	2	2	2	3	1	Sr. Comm Consultant (replacement)		3
VP-Government & Community Affairs									
Education & Consumer Affairs	8	8	8	8	8	0			8
Governmental Relations (receive from EVP Public Affairs)	3	3	3	3	3	0			3
Regulatory Affairs	9	11	11	11	15	4	n/a	2007 counts reflect an increase of staff in the middle of the year to average 11 employees. Year end count is 15, which corresponds to the Updated 2009 Test Year Average. See HECO T-14, pp 23-27.	15
VP-Gov't & Comm Affairs' Office	7	7	7	7	7	0			7
	358	378	369	369	404	35			
*Employee counts include interns and temporary employees on HECO payroll, but exclude employees covered under the DSM surcharge adjustment docket, including SSP positions, from all years.									

Hawaiian Electric Company, Inc.
Vacancy Headcount Comparison under New Organization - Adjusted Test Year Averages
(Post March 2, 2009 Organization)

				a		b		
	COUNTS REALLOCATED TO NEW ORGANIZATION (MARCH 2, 2009 REORGANIZATION AND SUBSEQUENT)	2007 Recorded EOY	Updated 2007 EOY Test Year	(Adjusted) Settlement 2007 TY Average	2009 Update Test Year EOY	(Adjusted) 2009 Update TY Average	Difference 2009 Upd Ave - Sett 2007 Test Year Ave	6/30/09 Actual Staffing
President's Office								
	Corporate Audit & Compliance (Formerly Internal Audit)	9	12	10	13	13	3	12
	President's Office	3	5	3	3	3	0	2
VP-Corporate Excellence								
	Compensation & Benefits	10	15	10	11	11	1	11
	Industrial Relations	9	9	9	10	10	1	10
	Safety, Security & Facilities	47	47	49	52	52	3	52
	Workforce Staffing & Development	17	17	17	25	23	6	22
	VP-Corporate Excellence's Office	4	2	3	4	4	1	5
VP-Chief Information Officer (new area est. 3/2/09)								
	Information Technology	89	94	94	94	94	0	98
	Information Assurance				3	3	3	3
	VP-Chief Information Officer				0	0	0	1
SVP-Finance & Administration								
	Information Technology & Services (move to new VP-CIO area)	New stand alone IT area established in 3/2/09 reorganization (see above); histo						
	Treasury and Financial Services (formerly Management Accounting & Fin Svcs)	20	22	14	23	14	0	15
	Receive Risk Management insurance function				4			
	Move Budgets and Finance to new department				-13			
	Budgets & Financial Analysis (new dept; receive 13 positions from former Mgmt Acctg & Fin Svcs)			12	13	13	1	12
	Risk Management	9	9		9			
	Move Insurance function to Treas. & Financial Svcs				-4			
	Move Claims division to Legal Department				-5			
	Sr. VP Finance & Administration's Office	3	3	3	3	3	0	3
VP-General Counsel								
	Legal/Land and Rights of Way	15	16	21	17	22	1	21
	Receive Claims division from Risk Management				5			
	VP-Gen Counsel's Office	2	2	2	2	2	0	2
Sr. VP-Energy Solutions								
	Customer Installations	Dept moved to VP, Customer Service in 3/2/09 reorg; historical data moved for						
	Energy Projects (renamed Resource Acquisition)	Dept renamed and moved to EVP in 3/2/09 reorg; historical data moved to Resc						
	Technology (renamed Renewable Technology)	Dept renamed and moved to EVP in 3/2/09 reorg; historical data moved to Resc						
	Sr. VP-Energy Solutions' Office	4	4	2	4	2	0	2
	Moved Energy Analysis position to Corp Planning, then Resource Acquisition				-1	All functions reassigned		
	Moved Dir, Bus & Economic Analysis position to Corp Planning				-1			
VP-Customer Service (formerly VP Cust. Solutions)								
	Customer Installations	50	53	49	55	49	0	47
	Move AMI function to new dept - System Integration (formerly System Planning)				-6			
	VP-Customer Service Office	2	2	2	2	2	0	2
Sr. VP-Operations								
	Sr. VP-Operations' Office	2	3	3	2	2	-1	1
VP-Energy Delivery								
	Customer Installations (receive from SVP Energy Sol, and moved again to VP-Cust Svc with 3/2/09 reorg)	Move to VP-Cust Svc with 3/2/09 reorg						
	VP-Energy Delivery's Office	2	2	2	2	2	0	2
VP-Power Supply								
	VP-Power Supply 's Office	2	2	2	3	2	0	2
	Move Renewable Integration position to new dept - System Integration (formerly System Planning)				-1			
VP Special Projects								
		0	1	0				

Hawaiian Electric Company, Inc.
Vacancy Headcount Comparison under New Organization - Adjusted Test Year Averages
(Post March 2, 2009 Organization)

	COUNTS REALLOCATED TO NEW ORGANIZATION (MARCH 2, 2009 REORGANIZATION AND SUBSEQUENT)	2007 Recorded EOY	Updated 2007 EOY Test Year	(Adjusted) Settlement 2007 TY Average	2009 Update Test Year EOY	(Adjusted) 2009 Update TY Average	Difference 2009 Upd Ave - Sett 2007 Test Year Ave	6/30/09 Actual Staffing
Exec. VP, Clean Energy (formerly EVP-Public Affairs)								
	Corporate Planning (Est. 8/11/08)	5	6	12	8	13	1	11
	Moved Forecasts function from Forecasts & Research Div., formerly of VP-Cust Sols.				4			
	Received Dir, Bus & Economic Analysis from SVP-Energy Sols				1			
	Resource Acquisition (received from SVP Energy Sol); formerly Energy Projects eff 3/2/09	9	9	21	11	25	4	24
	Received Competitive Bidding Div. From System Planning				3			
	Received Power Purchase Admin Div. From Fuels (former Power Supply Svc.)				6			
	Received Renewable Power Purchase Nego. Div from Fuels (formerly Power Supply Svc.)				2			
	Received Renewable Technology from SVP-Energy Sol; formerly Technology Div	3	3		3			
	Received Energy Analysis from SVP-Energy Sols				1			
	System Integration (received from VP Power Supply eff 3/2/09); formerly System Planning	19	19	28	26	40	12	40
	Move Competitive Bidding Division to Resource Acquisition				-3			
	Received Renewable Integration function from VP-Power Supply eff 3/2/09)				1			
	Received Relay Protection function from Engineering dept., VP-Energy Delivery eff 3/2/09)				4			
	Received AMI function from Customer Installations dept, eff 3/2/09				6			
	Received Distribution Planning function from Engineering dept, VP-Energy Delivery eff 3/2/09				7			
	Government Relations	Move to VP Government & Community Affairs						
	Integrated Resource Planning	Redeployed into Corporate Planning Dept.; historical data moved for comparat						
	Renewable Technology (formerly Technology Div.) moved under Resource Acquisition	Function moved under Resource Acquisition Department in 3/2/09 reorg; histo						
	EVP Office (formerly EVP-Public Affairs) eff 3/2/09	3	2	2	2	2	0	2
VP-Corporate Relations								
	Corporate Communications	9	10	9	9	9	0	9
	VP-Corporate Relations' Office	3	2	2	3	3	1	3
VP-Government & Community Affairs								
	Education & Consumer Affairs	8	8	8	8	8	0	8
	Governmental Relations (received from former EVP Public Aff	3	3	3	3	3	0	3
	Regulatory Affairs	9	15	11	15	15	4	15
	VP-Gov't & Comm Affairs' Office	7	7	7	7	7	0	7

*Employee counts include interns and temporary employees on HECO payroll, but exclude employees covered under the SSP and DSM surcharge adjustment docket from all years.

**HAWAIIAN ELECTRIC COMPANY
MERIT
POSITION DESCRIPTION**

Position Title: Executive Administrative Assistant
Department: President's Office
Reports to: President & CEO, HECO

Job Code: S2566

Role: I

FLSA: N

Date: 11/20/06

Primary Role/Function

Provides administrative and clerical support to the President and the Administrator to the President.

Job Responsibilities

- | | | |
|---|-----|---|
| * | 30% | Assists with President's schedule, prioritizing appointments and meetings. Screens all correspondence and telephone calls, forwarding for follow up to responsible parties as needed. Coordinates all staff activities for the President's Office to include following up on assignments to executives or other internal and external parties. Identifies and procures corporate gifts and souvenir items, and oversees their inventory, distribution and use as appropriate and in line with company guidelines. |
| * | 25% | Assists in the implementation of executive functions and activities and preparation for off-site and off-Island meetings, presentations or visits, including researching issues and documents and gathering information from various internal and external sources. |
| * | 25% | Assembles and compiles data for correspondence and related documentation and reports; prepares and maintains forms and reports; and carries out general filing and related administrative activities. |
| * | 10% | Prepares and maintains budget, forecast, variance analysis, informal updates and other budget/forecast reporting requirements for President's Office (including Strategic Initiatives). Works directly with HEI and HECO finance and accounting personnel. |
| * | 10% | Performs special assignments as required. |

* Denotes a "Fundamental Responsibility"

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor.

S2566 – Executive Administrative Assistant

Minimum Qualifications

Knowledge Requirements:

- Working knowledge of personal computers and/or mainframe systems and related software applications (i.e. spreadsheets, word processing, database management, etc.)
- Thorough knowledge of policies and procedures contained in such documents as Company/Union agreement; Accident Prevention Manual; General Information Manual, Corporate Code of Conduct, etc.
- Working knowledge of budgeting and forecasting.

Skills Requirements

- Administrative and organizational skills to assess the demands of a given task and recommend proper action.
- Demonstrated customer service skills to work with various groups or individuals frequently dealing with sensitive, difficult or confrontational issues.
- Ability to meet schedules and deadlines with thorough, accurate, and quality work products.
- Effective oral and written skills to effectively communicate with all levels of the organization and public sector.
- Demonstrated ability to remain flexible in a demanding work environment and adapt to rapidly changing priorities.

Experience Requirements

- Several (3-5) years general office experience with 3 years at the administrative assistant level.
- Few (1-2) years of budgeting or bookkeeping experience preferred.

Requirements are representative of minimum levels of knowledge, skills, and abilities. To perform the position successfully, the incumbent will need to demonstrate the use of these knowledge, skills, and abilities at an "Effective" level.

Positions Supervised

None

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor

S2566 – Executive Administrative Assistant

Physical Requirements

Only items that are necessary to perform the "fundamental" responsibilities of the position are indicated.

"F" for Frequently:

Daily, several times a week, weekly

"O" for Occasionally:

Monthly, Couple times a year

<input type="radio"/> Standing	<input type="radio"/> Lifting/Carrying below 25 lbs.
<input type="radio"/> Walking	<input type="checkbox"/> 26 to 50 lbs.
<input type="radio"/> Sitting	<input type="checkbox"/> above 50 lbs.
<input type="checkbox"/> Climbing Ascending or descending ladders, stairs, or other objects.	<input type="checkbox"/> Vision acuity the ability to see clearly 20 feet or more
<input type="checkbox"/> Balancing on narrow, slippery, or erratically moving surfaces.	<input type="checkbox"/> Color vision the ability to identify and distinguish different colors.
<input type="checkbox"/> Stooping, kneeling, crouching, crawling, and/or squatting	<input type="checkbox"/> Night vision the ability to perform work at night with the use of portable lighting.
<input type="checkbox"/> Handling Working with hands, arms or fingers.	<input type="radio"/> Talking
<input type="checkbox"/> Feeling Perceiving attributes such as size, shape, temperature or texture.	<input type="radio"/> Hearing
<input type="radio"/> Ability to follow written/oral instructions	<input type="radio"/> Ability to perform simple, repetitive tasks for an extended period of time
	<input type="radio"/> Ability to perform complex and varied tasks for an extended period

Environmental Conditions

The employee will be exposed to the following environmental conditions in performing the "fundamental" responsibilities of the position.

<input type="checkbox"/> Extreme Cold cold temperatures for an hour or more	<input type="checkbox"/> Working Outdoors may be during prevailing weather/climate conditions
<input type="checkbox"/> Extreme Heat warm/hot temperatures for an hour or more	<input type="checkbox"/> Hazardous Conditions potentially life-threatening situations
<input type="checkbox"/> Wetness	<input type="checkbox"/> Work above 5 feet
<input type="checkbox"/> Use of personal protective equipment (hard hats, respirator, leather gloves, rubber glove, safety shoes, nomex clothing)	<input type="checkbox"/> Work above 70 feet
<input type="checkbox"/> Work in emergency/potentially "high stress" situations	<input type="checkbox"/> Work on mountain trails/cliff sides
<input type="checkbox"/> Noise At least 80 decibels	

Job responsibilities are subject to possible modification to reasonably accommodate individuals with disabilities.

Some job requirements may exclude individuals who pose a direct threat or significant risk to the health and safety of themselves or other individuals.

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor

**HAWAIIAN ELECTRIC COMPANY
MERIT
POSITION DESCRIPTION**

Position Title: Pension Specialist
Department: Compensation & Benefits
Reports to: Manager, Compensation & Benefits

Job Code: S2493

Role: I

FLSA: N

Date: 3/16/2007

Primary Role/Function

Processes and calculates pension benefits for HECO and HEI employees/retirees. Provides administrative support for pension plan administration.

Job Responsibilities

- * 50% Calculates and processes pension and other postretirement benefits in compliance with plan documents for employees in the event of retirement, termination, death or attainment of age 65: Determines eligibility, prepares correspondence, conducts individual meeting with employees, insures completion of required forms, processes benefit payments and required contributions/reimbursements with trustee.
Processes premium payments with insurance carriers for retirees.
Processes pension benefit payments with the trustee for other utility companies and ASB.
- * 15% Maintains data in the pension system and worksheets for other postretirement benefit enrollments.
- * 15% Plans and facilitates communication to employees and retirees: Responds to employee/retiree inquiries, prepares retirement estimates as required, communicate plan changes, conducts information sessions, collect annual documentation for medical reimbursements.
- * 15% Provides support for pension administration activities: valuation of plan, maintenance and interpretation of plan document, amendments, summary plan descriptions, audits. Provides training support to HELCO and MECO on pension and postretirement benefits as needed
- 5% Supports activities of the division/department. Assists in special projects as assigned.

* Denotes a "Fundamental Responsibility"

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to perform any other job-related duties/functions assigned by the supervisor

Pension Specialist S2493

Positions Supervised

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor

**HAWAIIAN ELECTRIC COMPANY
MERIT
POSITION DESCRIPTION**

Position Title: Facilities Maintenance Engineer
Department: Safety, Security & Facilities
Reports to: Director, Facilities Planning

Job Code: S2092

Role: T

FLSA: P

Date: 12/7/99

Primary Role/Function

Provides engineering services related to facilities and equipment maintenance programs.

Job Responsibilities

- * 35% Administers air conditioning, elevator maintenance, and other building systems maintenance contracts. Coordinates projects related to equipment and facilities renovation and maintenance.
- * 30% Coordinates planning, scheduling and implementation of major maintenance programs for buildings, grounds, AC systems, security systems, power, lighting, water and mechanical facilities at Ward Avenue and King Street.
- * 15% Implements maintenance systems and coordinates capital expenditures. Travels to facilities to physically perform engineering studies and investigations. Performs inspections to confirm structural integrity of various mechanical equipment such as; hoists, shop fabrications, and modifications to buildings and equipment.
- * 5% Serves as a liaison with other departments for facilities maintenance activities.
- 5% Monitors and maintains records of facilities energy and water consumption and makes recommendations on energy efficiency programs. Implements shop and safety equipment testing and hazardous waste management procedures.
- 5% Designs and implements recycling programs to efficiently use materials and other facilities resources.
- 5% Prepares and provides formal instruction to employees and supervisory staff in the operation of new equipment, implementation of new procedures, and in the maintenance of facilities systems.

* Denotes a "Fundamental Responsibility"

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor

Facilities Maintenance Engineer S2092

Minimum Qualifications

Knowledge Requirements:

- Working knowledge of the principles of civil, structural or mechanical engineering including strength in materials, structural analysis, hydraulics, HVAC systems and waste systems normally acquired through college courses or equivalent experience.
- Working knowledge of government rules and regulations pertaining to the design, installation, and operation of facilities components and equipment.
- Knowledge of facilities construction and estimating techniques as acquired through courses or equivalent experience.
- Working knowledge of personal computers and/or mainframe systems and related software applications (i.e. spreadsheets, word-processing, database management, etc.).
- Professional engineers license is desirable.

Skills Requirements

- Strong analytical and organizational skills to handle various projects and programs.
- Demonstrated ability to remain flexible in a demanding work environment and adapt to rapidly changing priorities.
- Effective oral and written communication skills.
- Strong interpersonal skills and the ability to work with a variety of individuals.
- Must have or be able to qualify for State of Hawaii driver's license and HECO driver's license in order to travel to facilities to perform engineering studies and investigations.

Experience Requirements

- Several years (3-5) related experience in building management and overall facilities maintenance programs or equivalent experience.

Requirements are representative of minimum levels of knowledge, skills, and abilities. To perform the position successfully, the incumbent will need to demonstrate the use of these knowledge, skills, and abilities at an "Effective" level.

Positions Supervised

N/A

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor

Facilities Maintenance Engineer S2092

Physical Requirements

Only items that are necessary to perform the "fundamental" responsibilities of the position are indicated.

"F" for Frequently:

Daily, several times a week, weekly

"O" for Occasionally:

Monthly, Couple times a year

<input type="checkbox"/> F	Standing	<input type="checkbox"/> O	Lifting/Carrying below 25 lbs.
<input type="checkbox"/> F	Walking	<input type="checkbox"/>	26 to 50 lbs.
<input type="checkbox"/> F	Sitting	<input type="checkbox"/>	above 50 lbs.
<input type="checkbox"/> O	Climbing Ascending or descending ladders, stairs, or other objects.	<input type="checkbox"/> F	Vision acuity the ability to see clearly 20 feet or more
<input type="checkbox"/>	Balancing on narrow, slippery, or erratically moving surfaces.	<input type="checkbox"/> F	Color vision the ability to identify and distinguish different colors.
<input type="checkbox"/> F	Stooping, kneeling, crouching, crawling, and/or squatting	<input type="checkbox"/>	Night vision the ability to perform work at night with the use of portable lighting.
<input type="checkbox"/>	Handling Working with hands, arms or fingers.	<input type="checkbox"/> F	Talking
<input type="checkbox"/> F	Feeling Perceiving attributes such as size, shape, temperature or texture.	<input type="checkbox"/> F	Hearing
<input type="checkbox"/> F	Ability to follow written/oral instructions	<input type="checkbox"/> F	Ability to perform simple, repetitive tasks for an extended period of time
		<input type="checkbox"/> O	Ability to perform complex and varied tasks for an extended period

Environmental Conditions

The employee will be exposed to the following environmental conditions in performing the "fundamental" responsibilities of the position.

<input type="checkbox"/> O	Extreme Cold cold temperatures for an hour or more	<input type="checkbox"/> O	Working Outdoors may be during prevailing weather/climate conditions
<input type="checkbox"/> O	Extreme Heat warm/hot temperatures for an hour or more	<input type="checkbox"/> O	Hazardous Conditions potentially life-threatening situations
<input type="checkbox"/> O	Wetness	<input type="checkbox"/> F	Work above 5 feet
<input type="checkbox"/> O	Use of personal protective equipment (hard hats, respirator, leather gloves, rubber glove, safety shoes, nomex clothing)	<input type="checkbox"/> O	Work above 70 feet
<input type="checkbox"/>	Work in emergency/potentially "high stress" situations	<input type="checkbox"/>	Work on mountain trails/cliff sides
<input type="checkbox"/> O	Noise At least 80 decibels		

Job responsibilities are subject to possible modification to reasonably accommodate individuals with disabilities.

Some job requirements may exclude individuals who pose a direct threat or significant risk to the health and safety of themselves or other individuals.

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor

**HAWAIIAN ELECTRIC COMPANY
MERIT
POSITION DESCRIPTION**

Position Title: Talent Assessment & Development Specialist
Department: Workforce Staffing & Development
Reports to: Director, Client Services & Consulting

Job Code: S2656

Role: TC

FLSA: A

Date: 11/25/08

Primary Role/Function

Manages and oversees HECO's talent assessment and development function. Identifies and evaluates standardized assessment devices that recognize qualified applicants for employment. Provides consultation and assistance to departments and employees on employment testing, career assessment, and employee development related to recruiting, selecting, managing, and deploying talent in the organization. Develops and administers talent assessment and development programs, policies and systems, in conjunction with the Director.

Job Responsibilities

- | | | |
|---|------|---|
| * | 40 % | <ul style="list-style-type: none"> Responsible for supervising the day-to-day administration, scoring, interpretation, security, and quality controls of aptitude and skills tests and assessments used by the company. Trains and certifies Test Administrators. Resolves technical and ethical issues and serves as company's expert witness for assessment programs and instruments when required. Works with testing experts and vendors to establish and oversee procedures in the event of a security breach. Ensures compliance with the EEOC's Uniform Guidelines on Employee Selection Procedures, the company's testing policies, and publisher testing standards for all tests and assessment devices administered. Keeps executives informed about policy and budgetary matters regarding the use of various tests and assessment instruments. |
| * | 30% | <ul style="list-style-type: none"> Establishes systems for and oversees employee career assessment and transition program that identifies employee fit with different jobs based on aptitudes. Establishes and coordinates transitioning programs for workforce who may be faced with job elimination due to new business, corporate strategies, or technology. Provides resources to prepare employees to re-enter the job market, if needed. Assists employees with career coaching and interventions. Evaluates effectiveness of programs. |
| * | 25 % | <ul style="list-style-type: none"> Evaluates and conducts ongoing evaluation and analysis of current tests and assessment instruments for effectiveness in predicting job success. Gathers and evaluates relevant information and creates business cases and plans on alternative methodologies that provide for maximum return on investments for building people resources and ensuring corporate competitiveness. |
| * | 5% | <ul style="list-style-type: none"> Administers budgets for related testing activities and assessment programs. |

* Denotes a "Fundamental Responsibility"

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor

Talent Assessment & Development Specialist S2656

Minimum Qualifications

Knowledge Requirements:

- Working knowledge of EEO/Affirmative Action laws and fair employment legislation related to employment tests enforced by the EEOC.
- Working knowledge of the Uniform Guidelines on Employee Selection Procedures, 1978.
- Working knowledge of human resources principles and practices, state and federal labor laws and regulations.
- Working knowledge of business statistics and applications normally acquired through college level courses or equivalent experience. Working knowledge of data collection and analysis methodologies.
- Working knowledge of training, adult learning, and organizational behavior principles and theory.
- Working knowledge of personal computers and/or mainframe systems and applications such as spreadsheets, word processing, database management, presentation and graphics software, and statistical packages.
- Basic knowledge of budgeting and forecasting principles and processes (including annual Operating Forecast, Capital Budgets, etc.).
- Bachelor's degree in human resources, organizational psychology, or equivalent experience preferred.

Skills Requirements

- Ability to research, obtain, and organize data from numerous, diverse, and if necessary, alternative sources in a timely and efficient manner.
- Ability to use appropriate methods to analyze the consistency and reasonableness of data and results, and quickly identify unusual circumstances; independently, using sound judgment and initiative, adjust data, methods, and/or procedures accordingly to solve problems.
- Strong analytical, conceptual and administrative skills to assess the demands of the job, to recommend proper actions, and to handle multiple complex systems, projects, and programs with minimal supervision. Ability to handle details without losing sight of broad goals.
- Demonstrated leadership and flexibility in interpersonal style, and ability to coach, influence and persuade various groups or individuals, which may include dealing with sensitive, difficult or confrontational issues. Ability to handle confidential matters and materials discreetly and professionally.
- Strong written, oral and listening communication skills.
- Demonstrated ability to remain cool under pressure, be flexible in a demanding work environment, manage multiple priorities, and to exceed goals successfully.
- Demonstrated ability to pick up on technical things (i.e. EEI Test Coordinator certification, Collective Bargaining Agreement, EEO/AA laws, etc.) quickly, to learn new skills and knowledge.
- Strong commitment to teamwork and customer service.

Experience Requirements

- Several years (3-5) of related exempt-level supervisory/leadership experience to provide coaching, training, and consulting assistance to personnel.
- Experience in public speaking, facilitation, and designing systems.

Requirements are representative of minimum levels of knowledge, skills, and abilities. To perform the position successfully, the incumbent will need to demonstrate the use of these knowledge, skills, and abilities at an "Effective" level.

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor

Talent Assessment & Development Specialist S2656

Positions Supervised
Assessment & Development Coordinator (1)

Talent Assessment & Development Specialist S2656

Physical Requirements

Only items that are necessary to perform the "fundamental" responsibilities of the position are indicated.

"F" for Frequently:

Daily, several times a week, weekly

"O" for Occasionally:

Monthly, Couple times a year

<input type="checkbox"/> Standing	<input type="checkbox"/> Lifting/Carrying below 25 lbs.
<input type="checkbox"/> Walking	<input type="checkbox"/> 26 to 50 lbs.
<input type="checkbox"/> Sitting	<input type="checkbox"/> above 50 lbs.
<input type="checkbox"/> Climbing Ascending or descending ladders, stairs, or other objects.	<input type="checkbox"/> Vision acuity the ability to see clearly 20 feet or more
<input type="checkbox"/> Balancing on narrow, slippery, or erratically moving surfaces.	<input type="checkbox"/> Color vision the ability to identify and distinguish different colors.
<input type="checkbox"/> Stooping, kneeling, crouching, crawling, and/or squatting	<input type="checkbox"/> Night vision the ability to perform work at night with the use of portable lighting.
<input type="checkbox"/> Handling Working with hands, arms or fingers.	<input type="checkbox"/> Talking
<input type="checkbox"/> Feeling Perceiving attributes such as size, shape, temperature or texture.	<input type="checkbox"/> Hearing
<input type="checkbox"/> Ability to follow written/oral instructions	<input type="checkbox"/> Ability to perform simple, repetitive tasks for an extended period of time
	<input type="checkbox"/> Ability to perform complex and varied tasks for an extended period

Environmental Conditions

The employee will be exposed to the following environmental conditions in performing the "fundamental" responsibilities of the position.

<input type="checkbox"/> Extreme Cold cold temperatures for an hour or more	<input type="checkbox"/> Working Outdoors may be during prevailing weather/climate conditions
<input type="checkbox"/> Extreme Heat warm/hot temperatures for an hour or more	<input type="checkbox"/> Hazardous Conditions potentially life-threatening situations
<input type="checkbox"/> Wetness	<input type="checkbox"/> Work above 5 feet
<input type="checkbox"/> Use of personal protective equipment (hard hats, respirator, leather gloves, rubber glove, safety shoes, nomex clothing)	<input type="checkbox"/> Work above 70 feet
<input type="checkbox"/> Work in emergency/potentially "high stress" situations	<input type="checkbox"/> Work on mountain trails/cliff sides
<input type="checkbox"/> Noise At least 80 decibels	

Job responsibilities are subject to possible modification to reasonably accommodate individuals with disabilities.

Some job requirements may exclude individuals who pose a direct threat or significant risk to the health and safety of themselves or other individuals.

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor

**HAWAIIAN ELECTRIC COMPANY
MERIT
POSITION DESCRIPTION**

Position Title: Assessment & Development Coordinator
Department: Workforce Staffing & Development
Reports to: Talent Assessment & Development Specialist

Job Code: S2650

Role: I

FLSA: N

Date: 5/12/09

Primary Role/Function

Provides administrative support to the corporate talent assessment and development programs associated with, and not limited to, recruiting and employment.

Job Responsibilities

- | | |
|--------|---|
| * 50 % | <ul style="list-style-type: none">• Provides support to the employment testing function. Responsibilities include, but are not limited to, coordinating testing sessions, securing qualified test administrators, organizing facilities, testing materials and equipment needed to administer tests; monitoring applicant flow and lists of examinees for all aptitude tests and assessments; maintaining company's recordkeeping system for test scores, test results and for determining applicant re-test eligibility; managing test inventory, including ordering tests, answer sheets, scoring keys and other testing materials from test publishers; maintaining company library and reference materials on employment testing and related subjects, and controlling access to secure documents; conducting testing and representing the company to applicants. |
| * 35 % | <ul style="list-style-type: none">• Assists with administering testing and assessment processes in compliance with company testing policy and test/assessment publisher testing standards and guidelines. Maintains and coordinates additions and updates to testing policies. Researches and responds to inquiries on test policies and procedures through oral and written communication. |
| * 15 % | <ul style="list-style-type: none">• Implements modifications to test systems and databases to increase efficiency and effectiveness. Establishes and maintains systems for recordkeeping, reporting and identifying resources. Ensures recordkeeping/reporting is accurate and requirements are in compliance with state and federal agencies and corporate deadlines. Compiles testing data for management reporting and other projects as assigned. |

* Denotes a "Fundamental Responsibility"

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor

Assessment & Development Coordinator S2650

Minimum Qualifications

Knowledge Requirements:

- Working knowledge of personal computers and/or mainframe systems and related software applications (i.e. spreadsheets, word processing, databases, presentation graphics, etc.)
- Advanced-level proficiency in the use of Microsoft Word and the ability to expedite large mail outs (e.g. mail merge, printing labels, envelopes)
- Basic-level proficiency in the use of Microsoft Excel and PowerPoint to create reports and presentations.
- Strong working knowledge of general office procedures and practices
- Basic knowledge of employment laws and regulations.
- Basic knowledge of human resources principles and practices.
- Basic knowledge of general test administration procedures, standards and security protocols, preferred.

Skills Requirements

- Strong written, oral, and interpersonal skills to effectively communicate with all levels of the organization and the public sector; which may include dealing with sensitive, difficult or confrontational issues.
- Demonstrated ability to remain cool under pressure, be flexible in a demanding work environment, manage multiple priorities, and exceed goals successfully.
- Strong commitment to teamwork and customer service.
- Demonstrated ability to pick up on technical things quickly (e.g., EEI Test Coordinator certification, EEOC's Uniform Guidelines on Employee Selection Procedures, etc.) and to learn new skills and knowledge.
- Strong organizational and administrative skills and the ability to assess the demands of the job, take proper actions, and handle multiple priorities, projects, and programs with minimal supervision.
- Able to conceptualize new ideas quickly, understand and discuss relevant issues and offer value-added solutions.
- Ability to handle confidential matters and material discreetly and professionally.
- Ability to lift and move objects (e.g., testing materials) up to 20 pounds.

Experience Requirements

- Several years (3-5) of related business/administrative experience, preferably in Human Resources.
- Several years (3-5) of computer experience.

Requirements are representative of minimum levels of knowledge, skills, and abilities. To perform the position successfully, the incumbent will need to demonstrate the use of these knowledge, skills, and abilities at an "Effective" level.

Positions Supervised

N/A

Assessment & Development Coordinator S2650

Physical Requirements

Only items that are necessary to perform the "fundamental" responsibilities of the position are indicated.

"F" for Frequently:

Daily, several times a week, weekly

"O" for Occasionally:

Monthly, Couple times a year

<input type="radio"/> O	Standing	<input type="radio"/> F	Lifting/Carrying below 25 lbs.
<input type="radio"/> F	Walking	<input type="checkbox"/>	26 to 50 lbs.
<input type="radio"/> F	Sitting	<input type="checkbox"/>	above 50 lbs.
<input type="radio"/> O	Climbing Ascending or descending ladders, stairs, or other objects.	<input type="radio"/> O	Vision acuity the ability to see clearly 20 feet or more
<input type="checkbox"/>	Balancing on narrow, slippery, or erratically moving surfaces.	<input type="radio"/> O	Color vision the ability to identify and distinguish different colors.
<input type="radio"/> O	Stooping, kneeling, crouching, crawling, and/or squatting	<input type="checkbox"/>	Night vision the ability to perform work at night with the use of portable lighting.
<input type="radio"/> F	Handling Working with hands, arms or fingers.	<input type="radio"/> F	Talking
<input type="checkbox"/>	Feeling Perceiving attributes such as size, shape, temperature or texture.	<input type="radio"/> F	Hearing
<input type="radio"/> F	Ability to follow written/oral instructions	<input type="radio"/> F	Ability to perform simple, repetitive tasks for an extended period of time
		<input type="radio"/> F	Ability to perform complex and varied tasks for an extended period

Environmental Conditions

The employee will be exposed to the following environmental conditions in performing the "fundamental" responsibilities of the position.

<input type="checkbox"/>	Extreme Cold cold temperatures for an hour or more	<input type="checkbox"/>	Working Outdoors may be during prevailing weather/climate conditions
<input type="checkbox"/>	Extreme Heat warm/hot temperatures for an hour or more	<input type="checkbox"/>	Hazardous Conditions potentially life-threatening situations
<input type="checkbox"/>	Wetness	<input type="checkbox"/>	Work above 5 feet
<input type="checkbox"/>	Use of personal protective equipment (hard hats, respirator, leather gloves, rubber glove, safety shoes, nomex clothing)	<input type="checkbox"/>	Work above 70 feet
<input type="radio"/> O	Work in emergency/potentially "high stress" situations	<input type="checkbox"/>	Work on mountain trails/cliff sides
<input type="checkbox"/>	Noise At least 80 decibels		

Job responsibilities are subject to possible modification to reasonably accommodate individuals with disabilities.

Some job requirements may exclude individuals who pose a direct threat or significant risk to the health and safety of themselves or other individuals.

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor

Status of New Positions in Organizational Development (OD)
June 30, 2009

Organizational Development Consultant (1 additional)

On February 9, 2009, the Workforce Staffing and Development Department hired an additional Organizational Development (OD) Consultant, described in HECO T-15, page 29, to work on, among other things, the Corporate Internship Program (CIP) and the Corporate Mentorship Program (CMP). As discussed in the T-15 Update, pages 2-3, the department delayed the start of these programs because it had not been able to complete the policies and procedures necessary to implement the programs with existing resources. Instead, it focused on hiring the OD Consultant to work on the two programs. The OD Consultant has completed the policies and procedures needed to implement both programs (see Corporate Internship Program policy and Nomination Form included as Attachments A and B, respectively) and both programs are currently underway.

Corporate Internship Program (2 employee participants)

The Corporate Internship Program (CIP) is intended to develop the next generation of leaders. As discussed above and in the T-15 Update, pages 2-3, the department delayed the start of these programs to April. The CIP is currently at capacity with two participants as of April 2009; a Construction and Maintenance Superintendent and the Support Services Manager were selected for the program. Both participants were chosen for their leadership potential at higher and lateral positions. In addition to their development, home departments are strengthening their bench strength by providing nine additional developmental assignments (see Attachment C, C&M Internship Proposal).

Corporate Mentorship Program (2.5 employee participants)

The Corporate Mentorship Program (CMP), described in HECO T-15, pages 28-29, was established to address the critical shortage of power plant workers and the exodus of the baby boomers and their critical knowledge. The CMP has two participants as of April 2009. The incumbents in the Principal Environmental Scientist and the Senior Turbine Engineer positions were selected for the program based on the high vacancy and financial risk if their positions were vacated unexpectedly. The Knowledge Transfer Plans for these positions are provided as Attachments D and E, respectively. The third position (1/2 position) will come from a new critical skill assessment launching in July 2009 to start in August 2009.

Corporate Internship Program

Introduction

The Corporate Internship Program allows selected merit employees to build leadership skills through participation in a six to twelve month rotation in another department.






Purpose

The Corporate Internship Program is primarily focused on building leadership skills through experiential learning. Secondary to this would be to expand the intern's business, people and technical skills. By assigning interns to cross-functional assignments, they develop a broader perspective of the company and obtain technical expertise which may be beneficial for their current and/or any future leadership position.

Potential Interns

Preference is given to senior employees working in departments with specific succession planning needs.

Criteria for selecting interns include:

-  Evaluation of the employee's potential for leading and managing people;
-  Succession planning requirements, i.e., lead time for developing productive employees and anticipated turnover in the candidate's "home" department;
-  Demonstrated cross-functional flexibility and interest;
-  Significant technical and professional achievements; and
-  Voluntary education and developmental experiences.

Assignments During Internship

Internships are not "observation posts". Projects and assignments are identified for interns to complete during their time in their receiving departments

Knowledge Management Program

Introduction

The Knowledge Management Program enables identified critical subject matter experts (SME) to partner with Organizational Development and an Instructional Design Consultant to identify critical information and prioritize for documentation and action.

Purpose

The purpose of this Knowledge Management Program is to ensure business continuity in areas that are critical to HECO's continued success. The immediate focus of the program is to transfer key skills and knowledge from critical SMEs that have a high vacancy risk.

Potential Participants

Specific individuals are identified through the 2006 Critical Skills Assessment and have met the following criteria:

Criteria for selected critical SMEs include:

- Exert critical influence on organizational activities – operationally, strategically, or both; major problems could occur if these employees left suddenly
- Possess specialized, unique and/or HECO-specific skills
- Tacit knowledge and/or skills were obtained over an extended period of time, generally five years or more
- High vacancy risk for the position (promotion, retirement, external opportunities, etc.)
- Current bench strength is weak, meaning there is either a small pool or no pool of developing employees to replace the individual and the position has been historically difficult to fill



Hawaiian Electric Company, Inc. CORPORATE INTERNSHIP NOMINATION FORM

Nominee Information

Name:
Employee Number:
Job Title:
Department:
Current Role: Select One
Current Position: Select One

Succession Plans:

Is the nominee on a succession plan? Select One

If yes, please complete the following information for the primary succession plan:

Position: Select One
Department:
Vacancy Risk for this position: Select One
Readiness for advancement in this position: Select One

Is the nominee on a secondary succession plan? Select One

If yes, please complete the following information for up to three additional succession plans:

- Position: Select One
Department:
Vacancy Risk for this position: Select One
Readiness for advancement in this position: Select One
- Position: Select One
Department:
Vacancy Risk for this position: Select One
Readiness for advancement in this position: Select One
- Position: Select One
Department:
Vacancy Risk for this position: Select One
Readiness for advancement in this position: Select One

Development:

Please select the top 3 areas for development:

1. Select One If "Other", please identify:
- Please explain your reasoning for identifying the area for development above:
 - How could the nominee be more effective; i.e. do more, do less, do differently? What is your vision of success for this area of development?
 - Please describe any potential barriers that may prevent the nominee from closing these gaps:

2. Select One If "Other", please identify:
- Please explain your reasoning for identifying the area for development above:
 - How could the nominee be more effective; i.e. do more, do less, do differently? What is your vision of success for this area of development?
 - Please describe any potential barriers that may prevent the nominee from closing these gaps:
3. Select One If "Other", please identify:
- Please explain your reasoning for identifying the area for development above:
 - How could the nominee be more effective; i.e. do more, do less, do differently? What is your vision of success for this area of development?
 - Please describe any potential barriers that may prevent the nominee from closing these gaps:

Additional Information:

Has the nominee participated on or led a cross-functional project team? Select One
If yes, please provide additional details:

Has the nominee received prior leadership development training? Select One
If yes, please provide additional details:

Has the nominee expressed the desire to progress to the next level? Select One

What do you believe are the key goals for the nominee during the next 12 months?

Please provide any additional pertinent information that supports your nomination for the Corporate Internship Program:

Availability:

- Availability to participate in the Corporate Internship Program
- What length of time are they able to commit to the program? Select One
 - What is the nominee's potential start date?

Nominator Information

Name:

Job Title:

Department:

2009 nomination deadline is Friday, March 13th, 2009

Please send nominations to WSD – Organizational Development, Attn: Sarah Ventura
Email: sarah.ventura@heco.com **or Mail Stop: CP7-FI**

C&M Internship Proposal

February, 2009

Purpose:

- Provide opportunities for employee growth and development in support of succession planning in EDP.
- Utilize current employee interests, strengths and knowledge in developing/addressing needs in specific functions as identified through PDS/developmental discussions or Succession Planning.
- Provides C&M/EDP with greater breadth and depth amongst its future leaders.

Duration: All interns will serve for the periods as noted below and return to their previous position. (Note: There will be no expectations of placements into positions below the Facilitator role; filling of position below the Facilitator role will follow GIM guidelines.)

Proposed Interns (current positions) and Intern Positions:

- [redacted] (Supt., Operations, C&M) - Corporate Internship Program, WSD, Six (6) Months (TBD, starting in late March, 2009)
- [redacted] (Sr. Supervisor, Operations, C&M) - Superintendent, Operations, C&M, Three (3) Months (TBD, starting in late March, 2009)
- [redacted] (Sr. Supervisor, Operations, C&M) - Superintendent, Operations, C&M, Three (3) Months (TBD, starting in late June, 2009)
- [redacted] (Supervisor, Operations, C&M) - Sr. Supervisor, C&M (3 months) Late March 2009
- [redacted] (Supervisor, Operations, C&M) - Sr. Supervisor, C&M (3 months) Late June 2009
- [redacted] (Supervisor, Operations, C&M) - T&D Construction Manager, C&M, One (1) Year (TBD)
- [redacted] (Resource Planner, Planning, C&M) - Supervisor, Operation, C&M, One (1) Year (TBD)

Discussion:

- **Corporate Intern, WSD -** [redacted] is currently the Superintendent of Operations in C&M. This six month internship in the Company's Corporate Internship Program will provide an opportunity for Kaanoi to develop/improve the skills and knowledge necessary for him to progress to higher level management positions. As determined by WSD, Kaanoi will assigned work on cross functional corporate wide projects and program development.
- **Superintendent, Operations, C&M -** [redacted] is currently a Sr. Supervisor of Operations in C&M. Kevin will be filling the superintendent position (first 3 months) vacated by Kaanoi's six month internship noted above. Kevin has excellent interpersonal and technical skill. This internship will broaden his scope of responsibilities in the areas of budgets, strategic planning, succession planning and BU contractual and disciplinary issues. Since this is a role change (Teacher-Coach to Facilitator) a pay adjustment is appropriate.

- **Superintendent, Operations, C&M -** is currently a Sr. Supervisor of Operations in C&M. Randall will be filling the superintendent position (second 3 months) vacated by Kaanoi's six month internship noted above. Randall has excellent interpersonal and technical skill. This internship will broaden his scope of responsibilities in the areas of budgets, strategic planning, succession planning and BU contractual and disciplinary issues. Since this is a role change (Teacher-Coach to Facilitator) a pay adjustment is appropriate.
- **Sr. Supervisor, C&M Ward Overhead and Underground Divisions**
- is currently a Supervisor for the Ward Overhead Division. Tommy will be filling the senior supervisor position vacated by Kevin's internship noted above. Tommy has extensive experience and knowledge of transmission and distribution work. Tommy has shown the ability to implement change in his division. This internship will allow Tommy to look at a broad scope of leading multiple work divisions. Since his role of Teacher-Coach will not change a pay adjustment will not be required.
- **Sr. Supervisor, C&M Waiau and Koolau Overhead Divisions**
- is currently a Supervisor for the Waiau Overhead Division. Pat will be filling the senior supervisor position vacated by Randall's internship noted above. Pat has excellent interpersonal and technical skill. This internship will allow Pat to look at a broad scope of leading multiple work divisions. Since his role of Teacher-Coach will not change a pay adjustment will not be required.
- **T&D Construction Manager, C&M -** is currently a Supervisor in C&M Operations. Myles has shown a interest in Construction Management when he applied for the Sr. Construction Manager position last year. This internship will provide him the opportunity to fill this interest and provide him the skills and knowledge in managing contractors—preparing contracts and bid documents, interpreting contracts and negotiating change orders, preparing schedules, etc.
- **Supervisor, Operations, C&M -** is currently a Resource Planner in C&M Planning Division. Jeannette will be filling the supervisor position vacated by Myles Nakasone's internship noted above. Jeannette has applied for previous supervisor openings. More qualified applicants were selected as they had more experience and knowledge in the technical and leadership areas. This internship will provide her the opportunity to fill her interest in becoming a supervisor and provide her the skills and knowledge in the technical and leadership areas of the job.

Note: Jeanette's position will be filled by rotating BU personnel, who have already been trained, into the resource planner position

Upon approval of this proposal Individual Development Plans will be prepared for each intern outlining specific results to be attained during their internship

Environmental

Knowledge Transfer Project
HECO

May 6, 2009

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Knowledge Transfer Project

Purpose

The purpose of the Environmental Knowledge Transfer Project is to ensure that critical skills and knowledge are transferred from the Principal Environmental Scientist to the Senior Environmental Scientists, Environmental Scientists, and/or Environmental Specialists, as well as, other key HECO personnel.

Primary Area of Focus: Operational History

The primary area of focus for this knowledge transfer project will be the transfer of operational history. In the past, significant historic issues/incidents have not always been documented; or if the issues/incidents were documented the records can not always be located.

The successful documentation/transfer of operational history to key personnel will:

- ▶ Explain the background of how standards were set (i.e., the underlying rationale) so that proposed revisions to current standards and/or the creation of new standards will be appropriate.
- ▶ Ensure proposed permit limits and/or regulatory levels are reviewed, evaluated and if necessary challenged appropriately.
 - Provide information that will help in negotiations for permit renewals (example: evolution of regulations, their intent and how they have changed; etc.)
- ▶ Assist in determining what documentation is important to keep and provide information regarding the type of documents stored and their respective storage location.
- ▶ Explain the background and rationale of why certain processes are performed a particular way so that useful process improvement suggestions may be made.
 - Provide insight regarding HECO culture and work processes.
- ▶ Provide information regarding past violations and other key historical events to answer questions during investigations or other legal actions.
- ▶ Assist in the revision/development of SOPs so procedures and policies do not have to be started from scratch (note: approximately 50% of SOPs are updated/completed).

Operational History - Projects

Tier 1: Projects

Topic	Important concept/ information to emphasize	Target Audience	Preparation for Knowledge Transfer	Knowledge Transfer Activities	Evaluation Method
Hazardous Waste Program Regulatory Exemptions Rational for selection. It is important to maintain exemptions for current and future practices (example Keohole ST7 boiler cleaning).	<ul style="list-style-type: none"> Importance of maintaining regulatory exemptions (do not want to be listed as a large quantity generator of hazardous waste.... leads to many inappropriate undesirable and expensive requirements) Explain how to create an appropriate design up front (collecting and treating wastes and wastewater appropriately that meet regulations) so that exemptions may be maintained and/or new requirements precluded. 	Primary: Senior Scientists Secondary: Operation Area Environmental Specialists, O&M personnel	<ul style="list-style-type: none"> Locate historical information from files and organize (16 to 24 hours) Summarize and highlight important information for Senior Scientists to understand (4 to 8 hours) Create document detailing regulatory requirements, critical information, and location of documentation (8 to 12 hours) 	<ul style="list-style-type: none"> Meet with Senior Scientists to review document detailing regulatory requirements, critical information, etc. Senior Scientists will incorporate information into existing training program. 	<ul style="list-style-type: none"> Observation of Senior Scientists locating summarized and historical documentation. Observation and assessment of training presentation. Senior Scientists will be able to articulate why Hazardous Waste Exemptions must be maintained and how they can be maintained. Biennial check if file folder location has been maintained and easily located.
Process Area: Power Supply (HECO, HELCO, MECO)					Est. Hours 5 hrs

Topic	Important concept/ information to emphasize	Target Audience	Preparation for Knowledge Transfer	Knowledge Transfer Activities	Evaluation Method
Prior Oil Spills Rational for selection: Documentation of prior oil spills will help various sites when responding to investigations. <i>Process Area: Power Supply (HECO, HELCO, MECO)</i>	<ul style="list-style-type: none"> Explain what information to gather and how to prepare for a DOH or EPA investigation, or third party claim. (example CIP: oil found under facility...historic documents found to show Chevron was the responsible party) Complete chronology of oil spill history by site (done for CIP). 	Primary: Senior Scientists Secondary: Operation Area Environmental Specialists, O&M Managers	<ul style="list-style-type: none"> Create list of sites to obtain historical information (2 hrs) Locate historical information regarding oil spills by site and organize information. Including asking HELCO and MECO for their information (48 to 56 hrs) Summarize/highlight information to create chronology of events (24 to 40) 	Meet with Senior Scientists to review chronology of oil spills by site (online and hard copy) Share documentation in O&M staff meeting or by email and/or ECC	<ul style="list-style-type: none"> Observation of Senior Scientists locating oil spill documentation. Given a hypothetical investigation, Senior Scientists will explain what information they would need to gather and where the information is located. Biennial check if file folder location has been maintained and easily located.

Topic	Important concept/ information to emphasize	Target Audience	Preparation for Knowledge Transfer	Knowledge Transfer Activities	Evaluation Method
IDPP (Iwalei District Participating Parties) Rational for selection: <ul style="list-style-type: none"> IDPP project will continue for the next 20 to 30 years. It is important to capture essential information. Additional units will be added to this project (example downtown). Additional statewide projects may be started (e.g., Kahului Harbor, Hilo Harbor, CIP, etc.) <i>Process Area: Super Fund Project</i>	<ul style="list-style-type: none"> Gather historical data regarding current IDPP project Gather historical data regarding downtown unit for upcoming project 	Primary: Senior Scientists and Legal Secondary: Environmental Manager and PSO&M Manager	<ul style="list-style-type: none"> Locate historical information regarding IDPP and organize information by project and potential project. Summarize/highlight information to create chronology of events 	<ul style="list-style-type: none"> Meet with Senior Scientists to review chronology of project information (online and hard copy original). Explain to Legal the documentation that has been gathered and is available online. Share documentation in O&M staff meeting or by email and/or ECC 	<ul style="list-style-type: none"> Senior Scientists will be able to explain where to find information for current IDPP. Ask Senior Scientists to recap information in the file. Est. Hours 1 to 2 hrs

Topic	Important concept/ information to emphasize
<p>Documentation SOP</p> <p><u>Rational for selection:</u></p> <ul style="list-style-type: none">• In order for the knowledge transfer project to be successful it is essential that individuals know how to store, locate, and update material created. <p><i>Process Area: Documentation and Storage</i></p>	<ul style="list-style-type: none">• Create an SOP that explains naming convention, updating requirements, etc. for document created under the Knowledge Transfer Project.

Tier 2: Projects

Topic	Important concept/ information to emphasize	Target Audience	Preparation for Knowledge Transfer	Knowledge Transfer Activities	Evaluation Method
<p>Compliance with PCB Regulations</p> <p>Rational for selection: Testing done in the 70's to look at big transformers. Need to find documentation to confirm/support that required compliance testing was done (e.g., food and fire risk, transformer located within buildings, network and radial, etc.)</p> <p>Note: Still need to test smaller distribution transformers.</p> <p><i>Process Area: Energy Delivery</i></p>	<ul style="list-style-type: none"> Compilation of documents that show certain requirements were completed. 	<p>Primary: Senior Scientists and Environmental Scientists</p>	<ul style="list-style-type: none"> Locate historical information from files Summarize and highlight important information for Senior and Env. Scientists to understand 	<ul style="list-style-type: none"> Meet with Senior and Env. Scientists to review summarized critical documentation (online and hard copy) and SOP. Instruct scientists on how critical documentation should be utilized during the permitting process. Senior Scientists will incorporate information into existing training program 	<ul style="list-style-type: none"> Observation of Senior and Env. Scientists locating summarized and historical documentation. Senior and Env. Scientists will be able to articulate importance of historic data and why/how they must be maintained. Biennial check if file folder location has been maintained and easily located.

Topic	Important concept/ information to emphasize	Target Audience	Preparation for Knowledge Transfer	Knowledge Transfer Activities	Evaluation Method
Waiau - Old waste water ponds (Eastside) Rational for selection: It took 3 years to assess and confirm that the site was free of hazardous materials and we don't want to revisit that process unnecessarily <i>Process Area: Facilities/Owners</i>	<ul style="list-style-type: none"> Facilities, PS Engineering, PS O&M are responsible and need to be involved in making decisions on use of this area. Do not use the site as storage without taking into account the potential impact/cost if contaminated. Environmental should be involved in decisions regarding use of the area. 	Primary: Senior Scientists Secondary: Operations Environmental Specialists, Engineers, O&M Planners	TBD	TBD	TBD

Topic	Important concept/ information to emphasize	Target Audience	Preparation for Knowledge Transfer	Knowledge Transfer Activities	Evaluation Method
Clean Water Act Rational for selection: <ul style="list-style-type: none"> New regulatory challenges may arise regarding this act. DOH is trying to increase requirements during permit renewals <i>Process Area: Power Supply (HECO, HELCO, MECO)</i>	<ul style="list-style-type: none"> Explain how HECO was able to show through data collected from past investigations, etc. that certain monitoring requirements are not necessary because data showed systems were in compliance and certain things were non-applicable. Compile documentation from previous correspondence with regulatory agencies. 	<p>Primary: Senior Scientists and Environmental Scientists</p> <p>Secondary: Operation Area Environmental Specialists, O&M Managers and Supervisors</p>	<ul style="list-style-type: none"> Locate historical information from files Summarize and highlight important information for Senior and Env. Scientists to understand 	<ul style="list-style-type: none"> Meet with Senior and Env. Scientists to review summarized critical documentation (online and hard copy) and SCP. Instruct scientists on how critical documentation should be utilized during the permitting process. Senior Scientists will incorporate information into existing training program 	<ul style="list-style-type: none"> Observation of Senior and Env. Scientists locating summarized and historical documentation. Senior and Env. Scientists will be able to articulate importance of historic data and why/how they must be maintained. Biennial check if file folder location has been maintained and easily located. Observation and assessment of training presentation.

Topic	Important concept/ information to emphasize	Target Audience	Preparation for Knowledge Transfer	Knowledge Transfer Activities	Evaluation Method
Safe Drinking Water Act Rational for selection; New regulatory challenges may arise regarding this act (e.g., EPA may rule that ground water connectivity to the ocean may require different permitting) <i>Process Area: Power Supply (HECO, HELCO, MECO)</i>	<ul style="list-style-type: none"> Discuss existing compliance requirements for Safe Drinking Water Act. Explain that it is critical that Operating personnel are operating injection wells, or any disposal wells, in accordance to regulations. Cite examples as needed. Explain how the act ties into hazardous waste treatment, etc. 	<u>Primary:</u> Senior and Env. Scientists <u>Secondary:</u> Operation Area Environmental Specialists, O&M Managers and Supervisors	<ul style="list-style-type: none"> Locate historical information from files Summarize and highlight important information for Senior and Env. Scientists to understand 	<ul style="list-style-type: none"> Meet with Senior and Env. Scientists to review summarized critical documentation (online and hard copy) and SOP. Instruct scientists on how critical documentation should be utilized during the permitting process. Senior Scientists will incorporate information into existing training program 	<ul style="list-style-type: none"> Observation of Senior and Env. Scientists locating summarized and historical documentation. Senior and Env. Scientists will be able to articulate importance of historic data and why/how they must be maintained. Biennial check if file folder location has been maintained and easily located. Observation and assessment of training presentation.

Topic	Important concept/ information to emphasize	Target Audience	Preparation for Knowledge Transfer	Knowledge Transfer Activities	Evaluation Method
SOPs and Procedural Manual Rational for selection: <ul style="list-style-type: none"> SOPs need to be updated or created. Training is being performed without an updated Procedural Manual <i>Process Area: Energy Delivery</i>	<ul style="list-style-type: none"> Identification of information contained in historical procedural manuals. 	Primary: Senior Scientists Secondary: Operations Environmental Specialists	<ul style="list-style-type: none"> Locate historical information from files Summarize and highlight important information for Senior and Env. Scientists to understand and use as necessary for program improvements. 	<ul style="list-style-type: none"> Locate historical information from files Summarize and highlight important information for Senior and Env. Scientists to understand Senior Scientists will incorporate information into existing SOP and training programs 	<ul style="list-style-type: none"> Observation of Senior and Env. Scientists locating summarized and historical documentation. Senior and Env. Scientists will be able to articulate importance of historic data and why/how they must be maintained. Biennial check if file folder location has been maintained and easily located. Observation and assessment of training presentation.

Tier 3: Projects

Topic	Important concept/ information to emphasize	Target Audience	Preparation for Knowledge Transfer	Knowledge Transfer Activities	Evaluation Method
Environmental Processes Rational for selection; Processes (e.g., work flow) should be standardized throughout companies. <i>Process Area: Energy Delivery</i>	TBD	TBD	TBD	TBD	TBD

Topic	Important concept/ information to emphasize	Target Audience	Preparation for Knowledge Transfer	Knowledge Transfer Activities	Evaluation Method
Waiau Master Plan Rational for selection; Master Plan must take into consideration all Environmental requirements and issues. <i>Process Area: Facilities/Others</i>	<ul style="list-style-type: none"> Review all Environmental requirements and issues that must be considered in plan (e.g. cleaning of the overhead trucks needs to be addressed in the Waiau master plan). 	Primary: Senior Scientists Secondary: Engineers, O&M Planners	TBD	TBD	TBD

Topic	Important concept/ information to emphasize	Target Audience	Preparation for Knowledge Transfer	Knowledge Transfer Activities	Evaluation Method
Land & Rights of Way Rational for selection: Land & Rights of Way needs to understand environmental requirements for property transactions (buy, sell, lease) and property maintenance. <i>Process Area: Facilities/Others</i>	<ul style="list-style-type: none"> Property management should be monitoring the properties that are leased Need to contact Environmental for assistance with site assessments for proposed property transactions (e.g., purchase, lease or sale of properties) 	Primary: Senior Scientists Secondary: Land & Rights of Way	TBD	TBD	TBD

Project Timeline

Tier 1: Project Timeline

Hazardous Waste Program Regulatory Exemptions

Date	Action Item/Deliverable
5/8/2009	Start project
5/8 – 6/19/2009	Email as needed, provide support as needed
6/19/2009	Email draft hazardous waste program regulatory exemptions doc.
Week of 7/13/2009	Actual Transfer meeting with Senior Scientists and provide assignment for them to incorporate information into their presentation.
TBD	Evaluation check

SOP for Knowledge Transfer Documentation

Date	Action Item/Deliverable
Week of 7/13	Draft SOP

Prior Oil Spills

Date	Action Item/Deliverable
8/7/2009	Start project
9/2009	Email or meeting to touch base
10/16/2009	Draft of chronology of oil spills by site
10/19/2009	Meet with Senior Scientists to review oil spill chronology
10/2009	Share documentation in O&M staff meeting or by email and/or ECC
TBD	Evaluation check

IDPP (Iwilei District Participating Parties)

Date	Action Item/Deliverable
10/23/2009	Start project
11/2009	Email or meeting to touch base
12/4/2009	Draft of IDPP and other potential project documentation
Week of 12/7	Meet with Senior Scientists to review chronology of project information
Week of 12/7	Explain to Legal the documentation that has been gathered and is available
1/2010	Share documentation in O&M staff meeting or by email and/or ECC
TBD	Evaluation Check

Secondary Areas Identified During Initial Meeting

PCB Release

Need to identify ways to respond to PCB requests in a more timely manner (HECO, HELCO, MECO).

Relationship with Regulators

- Ability to contact and raise questions or concerns
- Establish rapport

Drawings

- Facilities
- Waste water treatment systems
- Lack of accurate drawings

Training Program

Design Training Program for new Scientists for smoother transition into position. Training components to include:

1. Regulatory issues (e.g., historic information to be maintained/perpetuated); and
2. Corporate Culture (i.e., HR training and other personal skill courses to aid in assimilation into role).

Additional Background Notes from First Meeting

1. Environmental education/background has become a non-negotiable in the hiring process
 - Those who do not have the ed/bkgd are not using the basic scientific principals that are crucial to the role
2. Examples of potential errors:
 - Designing a compliance program for a new regulation
 - Need to explore options to protect the interests of the company
 - Recognize that this is a guidance document
 - May not know the right questions to ask
 - Help them understand the bigger picture
 - Former Oil spills:
 - EPA obtains a soil sample which contained oil on HECO property. Chevron states it is HECO's. Donn says "NO" he was present when the oil spill happened in the 80's and this triggers him to find the records. Chevron acknowledged responsibility. This saved HECO potential \$100K in clean up costs, this doesn't include labor costs, legal, media defense, community affairs, fines, etc.

Engineering – Turbine Engineer

Knowledge Transfer Project
HECO

June 22, 2009

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Knowledge Transfer Project

Purpose

The purpose of the Turbine Engineer Knowledge Transfer Project is to ensure that critical skills and knowledge are transferred from the Turbine Engineer to need to identify who to transfer to (example incoming counterpart, TSD Superintendent, etc.), as well as, other applicable HECO personnel.

About the Turbine Engineer Position

The Turbine Engineer is a critical, multi-faceted and complex position in the Power Supply Engineering Department. An individual must have extensive engineering and field experience in order to successfully perform operations (trouble shooting, issues, predictive maintenance, etc.), and overhauls (disassembly, inspection, assessment, repair, assembly, and start-up). It is also important to possess strong administrative skills (project management, budget, documentation, research, etc.) Dedication to the job, the ability to integrate into the Hawaiian culture, and understanding the need for self sufficiency due to an isolated island grid and lack of local resources, are additional components which are critical to success.

Primary Area of Focus: Elements of the Turbine Engineer Job that are Unique to HECO

The primary area of focus for this knowledge transfer project is to identify, capture, and share the elements of the Turbine Engineering position that are unique to HECO. The knowledge transfer project will focus upon the following items:

- ▶ Listing of the knowledge, skills and attributes necessary to be successful in the Turbine Engineer position
- ▶ Description of how the Turbine Engineer position at HECO may be very different from the Turbine Engineer position at other utilities (example engineering responsibilities, some QA/QC responsibilities, training responsibilities, project management responsibilities, need to work long hours, multiple demands etc.)
 - Guidance of how to successfully integrate into the HECO culture and build rapport with internal staff and customers (example: be open to different ideas and suggestions, ability to observe and understand the reasoning behind the HECO process before interjecting opinion, methods to influencing the workforce)
- ▶ Explanation of why the majority of repairs are performed on site, documentation of the types of repairs and the special tools, protocols and processes created to perform repairs onsite. *Also includes types of training provided to local resources in order for them to provide assistance – example machine shop training.
- ▶ Listing of reports, documents, and other resources that would be useful to a new hire (example types of equipment and location of documentation for those equipment, etc.)
 - Description of the types of equipment, respective documentation and general status of equipment (mix of old vs. new equipment - 14 out of 17 units are old.)

Turbine Engineer Position

Tier 1: TBD

Topic	Important concept/ information to emphasize	Target Audience	Preparation for Knowledge Transfer	Knowledge Transfer Activities	Evaluation Method
Listing of knowledge, skills and attributes necessary to be successful in the Turbine Engineer position Rational for selection: The Turbine Engineer is a complex, multi-faceted job. Listing the knowledge, skills and abilities for the position will be helpful during interviews with potential candidates and/or developing a training/ orientation program for a new hire.	<ul style="list-style-type: none"> • Analytical competencies • Administrative (Budget, Planning, Research, Project Management, etc.) • Knowledge/Experience • Engineering/Field • Overhaul (Disassembly, Inspection, Assessment, Repair/Modification, Assembly, Start up) • Operations (Troubleshoot, Issues, Predictive Maintenance, etc.) 	Primary: Incoming counterpart, dept. manager (Marty McDonough) CSC Consultant? Secondary: Larry Ornellas?, O&M dept?	Status Draft is complete – pending retransmitting into specific categories Create coversheet outlining purpose – list contributors to doc. Approval by Jim, Gene, CSC Consultant (to ensure HR compliance)	<ul style="list-style-type: none"> • Share document with Marty & Larry or other identified individuals • Compare against current established interview questions/job description? 	<ul style="list-style-type: none"> • Obtain qualitative feedback from Marty & Larry or other identified individuals regarding clarity and usefulness of the document

Topic	Important concept/ information to emphasize	Target Audience	Preparation for Knowledge Transfer	Knowledge Transfer Activities	Evaluation Method
Unique aspects of the HECO Turbine Engineer position Rational for selection: The Turbine Engineer position at HECO may be very different from the Turbine Engineer position at other utilities (example engineering responsibilities, some QA/QC responsibilities, training responsibilities, project management responsibilities, need to work long hours, multiple demands etc.)	<ul style="list-style-type: none"> Self sustaining environment – isolated grid Integration into HECO/Hawaiian culture Juggle multiple roles, responsibilities, demanding work schedule, various internal/external customers Training of local resources 100% permanent repairs on-site 	Primary: Incoming counterpart, dept. manager (Marty McDonough) Secondary: Audience? Peers? (SC consultant)	<ul style="list-style-type: none"> Draft a document listing areas identified with an expansion on specifics 	<ul style="list-style-type: none"> Share document with Marty & Larry or other identified individuals When incoming counterpart is hired Turbine Engineer will review document with new hire 	<ul style="list-style-type: none"> Obtain qualitative feedback from Marty & New hire or other identified individuals regarding clarity and usefulness of the document

Topic	Important concept/ information to emphasize	Target Audience	Preparation for Knowledge Transfer	Knowledge Transfer Activities	Evaluation Method
Documentation of special tools, protocols and processes to perform repairs onsite. Rational for selection: <ul style="list-style-type: none"> The majority of repairs are performed on site and HECO due to the potential damage to equipment during moving, the amount of time required for travel, and the lack of local resources. Performing repairs that are typically outsourced requires creativity - need to engineer new tools and create new protocols and processes. The Turbine Engineer may have to train local resources to provide the services HECO needs. 	<ul style="list-style-type: none"> Documentation of the reasoning for performing repairs on-site List of previous repairs performed on-site Tools created to perform on-site repairs Protocols created to perform on-site repairs Processes created to perform on-site repairs Training conducted to ensure support from outside resources 	Primary: Incoming counterpart, dept. manager (Marty McDonough), Larry Ornellas, Other identified individual (O&M staff?) Secondary: Audience	<ul style="list-style-type: none"> Identify existing documentation of on-site repairs tools, protocols, processes, training, etc. Prioritize items to document Complete all documentation using template Video tape Turbine Engineer performing repairs 	<ul style="list-style-type: none"> Training for O&M staff on critical and/or common on-site repairs, protocols, processes, etc. Perform or create special tools for on-site repairs under the supervision of Turbine Engineer. Is there too much risk involved? Share documentation created with incoming counterpart, dept. manager (Marty McDonough), Larry Ornellas, Other identified individual (O&M staff?) 	<ul style="list-style-type: none"> Obtain qualitative feedback from Marty & incoming counterpart or other identified individuals regarding clarity and usefulness of the document Evaluation by Turbine Engineer regarding their performance on tools

Topic	Important concept/ information to emphasize	Target Audience	Preparation for Knowledge Transfer	Knowledge Transfer Activities	Evaluation Method
List of reports, documents, and other resources that would be useful to a new hire (example types of equipment and location of documentation for those equipment, etc.)	<ul style="list-style-type: none"> Description of the types of equipment, respective documentation and general status of equipment (mix of old & new equipment, 14 out of 17 units are old.), etc. Types and frequencies of repairs PDM findings, recommendations and schedules 	Primary: Incoming counterpart, dept. manager (Marty McDonough) Secondary: Audience: Peers, CSC consultant	<ul style="list-style-type: none"> Identify existing documentation outlining reports, documents and other resources Complete all documentation using template 	<ul style="list-style-type: none"> Share document with Murty & Larry or other identified individuals When incoming counterpart is hired Turbine Engineer will review document with new hire 	<ul style="list-style-type: none"> Obtain qualitative feedback from Murty, Larry, incoming counterpart or other identified individuals regarding clarity and usefulness of the document

Project Timeline

TBD

Topic

Date	Action Item/Deliverable
Dates	Deliverables

**HAWAIIAN ELECTRIC COMPANY
MERIT
POSITION DESCRIPTION**

Position Title: Director, CE Compliance
Department: Corporate Excellence
Reports to: Vice President, Corporate Excellence

Job Code: S2617

Role: FS

FLSA: A

Date: 04/14/08

Primary Role/Function

Under the general supervision of the VP, CE and HECO Compliance Officer, provide value added services, programs and initiatives that develop, implement, maintain and improve the CE / Corporate Compliance Program and Plan for CE and/or HECO. Facilitate the development and implementation of the Internal Compliance Program ("ICP"), and lend necessary support to all or other company compliance programs, including Legal, Internal Audit and Financial Compliance Programs. Administer, maintain and improve systems and programs. Conduct internal CE investigations, provide recommendations or assistance on all compliance related matters. Conduct training and briefings on Code of Conduct and compliance related matters. Provide timely and effective staff support and quality deliverables on Board, Committee, Corporate or CE projects and assignments.

Job Responsibilities

*	50%	Review and improve current CE/HECO policies, practices and programs. Align the CE Compliance program with the financial and external compliance programs. Coordinate and perform investigations, audits and reviews under the ICP. System administrator for current and future compliance related software or applications (i.e. Ethicspoint). Identify different mechanisms under the ICP that will assist in providing regular updates to the appropriate executive staff. Identify and correct areas of compliance vulnerability and risk. Provide ongoing and regular (annual) training, briefing and facilitation on compliance / Code of Conduct to maintain a high level of awareness and support to maintain an integrity based corporate culture. Overall focus to identify current and trend risk areas and improve human capital risk profile over time through effective programs, practices and improvements.
*	25%	Provide analytic, research and staff support for assignments and projects related to CE, corporate or HEI and HECO Board related assignments. Develop reports, presentations, metrics or other deliverables needed for Board and Committee meeting briefings and reports. Support VP, CE and SVP, Finance and Administration in providing key information and material for Board / Committee consideration and /or decision making.

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor

*	25%	Provide staff support to the VP, CE and CE management team and Finance and Administration process area, on key, strategic or necessary projects. Leads, facilitates and/or supports critical CE special projects, initiatives and assignments, usually involving major cross-functional processes or issues. Resolves difficult problems related to CE and related matters in a timely and effective manner. Works effectively at all levels of the organization.
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* Denotes a "Fundamental Responsibility"

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor

Director, CE Compliance S2617

Minimum Qualifications

Knowledge Requirements:

- A Bachelor's degree in Business, Management, Accounting, Pre-Law or other related field required.
- Advance degree in Accounting, Business or Law preferred
- Thorough knowledge of complex investigations and reporting systems.
- Working knowledge of compliance and regulatory matters.
- Working knowledge of personal computers and/or mainframe systems and related software applications such as spreadsheets, word processing, and graphics.
- Thorough knowledge of policies and procedures contained in such company documents as the Code of Conduct, Collective Bargaining Agreement, Accident Prevention Manual, General Information Manual, etc.

Skills Requirements

- Highly organized and skilled in the development and implementation of new programs and initiatives.
- Highly analytical and detailed oriented.
- Highly skilled and capable communicator equally comfortable in both fast-moving problem solving situations and short-term and long-term planning discussions.
- Excellent interpersonal skills. Ability to evaluate and assess people/situations, develop and maintain relationships, and work with employees and stakeholders at all levels.
- Highly developed written and oral communication skills. Ability to listen intently for details, digest and convey complex information. Demonstrated research and writing skills.
- Proven ability to take initiative and ownership, pull together divergent interests, and drive projects to completion. Proven ability to deliver assignments, projects and programs on time, on budget and provide ongoing value – both current and long term.
- Solid leadership skills and the ability to work with a variety of individuals dealing with sensitive, difficult or confrontational issues. Ability to handle such issues with professionalism while using tact, courtesy and discretion.
- Comfortable and effective in an ambiguous and demanding environment.
- Demonstrated composure and effectiveness in difficult situations. Able to balance conflicting priorities. Ability to remain neutral and independent, while completing thorough investigations and reviews.
- Demonstrated ability to deliver results in a timely, cost-effective and value-added manner
- Consistent high performer, open to constructive feedback and coaching, demonstrated ability to learn, grow and enjoys new challenges.

Experience Requirements

- Several (5-7) years of business management experience, preferably in the area of compliance, legal, business process improvement, or related field.
- Several (3-5) years of supervisory or management experience.

Requirements are representative of minimum levels of knowledge, skills, and abilities. To perform the position successfully, the incumbent will need to demonstrate the use of these knowledge, skills, and abilities at an "Effective" level.

Positions Supervised

CE Compliance Analyst

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor

Director, CE Compliance S2617

Physical Requirements

Only items that are necessary to perform the "fundamental" responsibilities of the position are indicated.

"F" for Frequently:

Daily, several times a week, weekly

"O" for Occasionally:

Monthly, Couple times a year

<input type="checkbox"/>	Standing
<input type="checkbox"/>	Walking
<input type="checkbox"/>	Sitting
<input type="checkbox"/>	Climbing Ascending or descending ladders, stairs, or other objects.
<input type="checkbox"/>	Balancing on narrow, slippery, or erratically moving surfaces.
<input type="checkbox"/>	Stooping, kneeling, crouching, crawling, and/or squatting
<input type="checkbox"/>	Handling Working with hands, arms or fingers.
<input type="checkbox"/>	Feeling Perceiving attributes such as size, shape, temperature or texture.
<input type="checkbox"/>	Ability to follow written/oral instructions

<input type="checkbox"/>	Lifting/Carrying below 25 lbs.
<input type="checkbox"/>	<input type="checkbox"/> 26 to 50 lbs.
<input type="checkbox"/>	<input type="checkbox"/> above 50 lbs.
<input type="checkbox"/>	Vision acuity the ability to see clearly 20 feet or more
<input type="checkbox"/>	Color vision the ability to identify and distinguish different colors.
<input type="checkbox"/>	Night vision the ability to perform work at night with the use of portable lighting.
<input type="checkbox"/>	Talking
<input type="checkbox"/>	Hearing
<input type="checkbox"/>	Ability to perform simple, repetitive tasks for an extended period of time
<input type="checkbox"/>	Ability to perform complex and varied tasks for an extended period

Environmental Conditions

The employee will be exposed to the following environmental conditions in performing the "fundamental" responsibilities of the position.

<input type="checkbox"/>	Extreme Cold cold temperatures for an hour or more	<input type="checkbox"/>	Working Outdoors may be during prevailing weather/climate conditions
<input type="checkbox"/>	Extreme Heat warm/hot temperatures for an hour or more	<input type="checkbox"/>	Hazardous Conditions potentially life-threatening situations
<input type="checkbox"/>	Wetness	<input type="checkbox"/>	Work above 5 feet
<input type="checkbox"/>	Use of personal protective equipment (hard hats, respirator, leather gloves, rubber glove, safety shoes, nomex clothing)	<input type="checkbox"/>	Work above 70 feet
<input type="checkbox"/>	Work in emergency/potentially "high stress" situations	<input type="checkbox"/>	Work on mountain trails/cliff sides
<input type="checkbox"/>	Noise At least 80 decibels		

Job responsibilities are subject to possible modification to reasonably accommodate individuals with disabilities.

Some job requirements may exclude individuals who pose a direct threat or significant risk to the health and safety of themselves or other individuals.

Leads, facilitates and/or supports the achievement of critical Operations area special projects, initiatives and assignments, usually involving major cross-functional processes or issues, as directed by the Operations Senior Vice President. Supports entire Operations area process management, and provides assistance at department, division and section levels as needed. Resolves particularly difficult problems related to Operations and related matters in a timely and effective manner. Works effectively at all levels of the organization.

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor

**HAWAIIAN ELECTRIC COMPANY
MERIT
POSITION DESCRIPTION**

Position Title: Senior Financial Analyst
Department: Financial Services
Reports to: Director, Financial Analysis

Job Code: S2176

Role: T

FLSA: A

Date: 10-12-99

Primary Role/Function

Provides financial and economic analyses and understanding of complex transactions to decision-makers; recommends and implements appropriate economic analysis approaches throughout the Company.

Job Responsibilities

- * 60% Prepares (or assists in the preparation of) and communicates the results of utility economic analysis of alternative proposals and investment decisions. Develops approaches for economic analysis of very complex transactions and/or alternatives with significant long-term financial impact; for example, purchase power contracts, large (multi-million dollar) capital investments, and alternative integrated resource plans. Ensures appropriate and consistent use of economic methods for evaluating alternatives. Represents the division on task forces and committees to provide financial insights and understanding for various projects.
- * 35% Prepares (or assists in the preparation of) and delivers testimony for PUC filings such as rate case and other large projects requiring PUC approval (e.g. purchase power contracts, large capital investments).
- * 5% Coordinates the analysis and communication of the economic effects of various accounting methods.

* Denotes a "Fundamental Responsibility"

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor

Senior Financial Analyst S2176

Minimum Qualifications

Knowledge Requirements:

- Thorough knowledge of microeconomic and regulatory economics.
- Thorough knowledge of accounting and finance principles and practices.
- Working knowledge of corporate tax laws and regulations.
- Working knowledge of generation expansion planning, principles of electricity generation, and transmission and distribution planning desired.
- Working knowledge of personal computers and/or mainframe systems and related software applications such as, spreadsheets, word processing, etc.
- Working knowledge of regulatory processes.

Skills Requirements

- Excellent business judgment - the ability to see beyond the obvious, to evaluate all knowledge and experience and to select the "right" course of action at the "right" time from a multitude of possibilities - and executive decision-making ability. In-depth analytical and computational skills. Ability to quickly separate the relevant from the irrelevant in gathering information, make reasonable assumptions, prepare accurate analyses, and reach sound conclusions. Accomplishes the aforementioned in an environment with few generally accepted guidelines, with potentially high consequences of error.
- Ability to apply and direct the application of specialized financial knowledge and general business knowledge to complex transactions.
- Highly developed interpersonal skills. Ability to work with individuals of different disciplines and management levels, within the Company and outside the Company. Ability to deal with sensitive, difficult or confrontational issues.
- Ability to remain flexible in a demanding work environment and adapt to rapidly changing priorities.
- Ability to develop long-term financial models, sensitivity analyses, and complex computations on spreadsheet or financial modeling software.
- Highly developed communication skills. Ability to effectively communicate complex concepts, calculations, and issues to audiences of varying knowledge and backgrounds in writing and verbally.
- Ability to comprehend and apply complex concepts quickly.

Requirements are representative of minimum levels of knowledge, skills, and abilities. To perform the position successfully, the incumbent will need to demonstrate the use of these knowledge, skills, and abilities at an "Effective" level.

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor

Senior Financial Analyst S2176

Experience Requirements

- Multiple (5-7) years of financial analysis and accounting experience performing advanced work in the financial planning field. (Experience in public accounting or business credit analysis may be considered.)
- Several (3-5) years of utility experience relating to rate making, utility accounting or utility planning desired.

Requirements are representative of minimum levels of knowledge, skills, and abilities. To perform the position successfully, the incumbent will need to demonstrate the use of these knowledge, skills, and abilities at an "Effective" level.

Positions Supervised

N/A

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor

Senior Financial Analyst S2176

Physical Requirements

Only items that are necessary to perform the "fundamental" responsibilities of the position are indicated.

"F" for Frequently: Daily, several times a week, weekly
"O" for Occasionally: Monthly, Couple times a year

<input type="checkbox"/>	Standing	<input type="checkbox"/>	Lifting/Carrying below 25 lbs.
<input type="checkbox"/>	Walking	<input type="checkbox"/>	26 to 50 lbs.
F	Sitting	<input type="checkbox"/>	above 50 lbs.
<input type="checkbox"/>	Climbing Ascending or descending ladders, stairs, or other objects.	<input type="checkbox"/>	Vision acuity the ability to see clearly 20 feet or more
<input type="checkbox"/>	Balancing on narrow, slippery, or erratically moving surfaces.	<input type="checkbox"/>	Color vision the ability to identify and distinguish different colors.
<input type="checkbox"/>	Stooping, kneeling, crouching, crawling, and/or squatting	<input type="checkbox"/>	Night vision the ability to perform work at night with the use of portable lighting.
F	Handling Working with hands, arms or fingers.	F	Talking
<input type="checkbox"/>	Feeling Perceiving attributes such as size, shape, temperature or texture.	F	Hearing
F	Ability to follow written/oral instructions	F	Ability to perform simple, repetitive tasks for an extended period of time
		F	Ability to perform complex and varied tasks for an extended period

Environmental Conditions

The employee will be exposed to the following environmental conditions in performing the "fundamental" responsibilities of the position.

<input type="checkbox"/>	Extreme Cold cold temperatures for an hour or more	<input type="checkbox"/>	Working Outdoors may be during prevailing weather/climate conditions
<input type="checkbox"/>	Extreme Heat warm/hot temperatures for an hour or more	<input type="checkbox"/>	Hazardous Conditions potentially life-threatening situations
<input type="checkbox"/>	Wetness	<input type="checkbox"/>	Work above 5 feet
<input type="checkbox"/>	Use of personal protective equipment (hard hats, respirator, leather gloves, rubber glove, safety shoes, nomex clothing)	<input type="checkbox"/>	Work above 70 feet
O	Work in emergency/potentially "high stress" situations	<input type="checkbox"/>	Work on mountain trails/cliff sides

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☐ Noise At least 80 decibels

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From: Hiam, Shera
Sent: Friday, October 31, 2008 8:57 AM
To: Nagata, Lorie
Cc: Sekimura, Tayne; Lee, Sandy
Subject: FW: Sr Financial Anaylst - Request for Approval

Lorie ~ Approvals received.

From: Hirota, Karen **On Behalf Of** Alm, Robert
Sent: Friday, October 31, 2008 8:43 AM
To: Ejercito, Amy; Sekimura, Tayne; Stahlkopf, Karl; Joaquin, Tom
Cc: Hiam, Shera
Subject: RE: Sr Financial Anaylst - Request for Approval

Okay.

From: Joaquin, Tom
Sent: Wednesday, October 29, 2008 6:36 PM
To: Sekimura, Tayne; Ejercito, Amy; Alm, Robert; Stahlkopf, Karl
Cc: Hiam, Shera
Subject: RE: Sr Financial Anaylst - Request for Approval

OK

From: Stahlkopf, Karl
Sent: Wednesday, October 29, 2008 11:10 AM
To: Sekimura, Tayne; Ejercito, Amy; Alm, Robert; Joaquin, Tom
Cc: Hiam, Shera
Subject: RE: Sr Financial Anaylst - Request for Approval

OK with me.

Karl

From: Ejercito, Amy
Sent: Wednesday, October 29, 2008 9:04 AM
To: Sekimura, Tayne; Alm, Robert; Stahlkopf, Karl; Joaquin, Tom
Cc: Hiam, Shera
Subject: RE: Sr Financial Anaylst - Request for Approval

ok

From: Sekimura, Tayne
Sent: Wednesday, October 29, 2008 8:14 AM
To: Ejercito, Amy; Alm, Robert; Stahlkopf, Karl; Joaquin, Tom

7/19/2009

Cc: Hiam, Shera
Subject: FW: Sr Financial Analyst - Request for Approval

Seeking your approval to proceed.

From: Nagata, Lorie
Sent: Tuesday, October 28, 2008 10:20 AM
To: Sekimura, Tayne
Subject: Sr Financial Analyst - Request for Approval

Tayne - as previously discussed, there is a need to add a Senior Financial Analyst to the Financial Analysis Division given the many new initiatives that the company is embarking on. Below are our responses to the five questions. Please let me know if, and when, we can proceed with the hiring process.

For rate case update and 2009 budget purposes, we'll assume that this position will be filled in May 2009.

Thanks for your consideration. Lorie

+++++

Request to Hire: Sr. Financial Analyst, Management Accounting & Financial Services

1. Is this position critical to operations or otherwise provide critical support to operations?

Non-Operations: Is position critical to insure timely or otherwise manage regulatory, legal, financial or compliance risk or requirements?

Yes. The additional Senior Financial Analyst is required based on the projected increase in workload which will include the following:

- Rate Cases - Financial Analysis Division will support multiple rate cases which are expected to include changes in ratemaking for new surcharge mechanisms (including revenue adjustment mechanisms for changes in costs and capital expenditures, purchase power cost recovery, and Hawaii Clean Energy Infrastructure), and possibly rate rebalancing between Companies.
- Purchased Power Contracts - The Companies expect to negotiate numerous purchased power agreements over the next few years. There are over 15 proposals in various stages of negotiation and implementation. In addition, amendments to increase at least three existing contracts are currently being negotiated.
- Competitive Bidding - Financial Analysis Division will support the evaluation of the bids to the HECO Renewable Energy RFP and the MECO RFP.
- New Projects - Financial Analysis Division will provide support for various new projects which may include: Advanced Meter Infrastructure, PV Host, Interisland Cabling, Biofuel Refinery, Federal Loan Guarantee, Asset Management, REC valuation and trading, feed-in tariff rates and hedging.

This work is in addition to supporting PUC project applications and economic evaluations of other business decisions.

What is the minimum level of qualified staff?

For the department, 23. For the division, 4. 22 positions are fully budgeted.

7/19/2009

2. Can others in house do this work without impacting other equally critical work?

Financial analysis support in rate cases and project activities require specific technical foundation and analytical ability. There are few individuals in house that have sufficient financial and regulatory background to do this work. Those qualified individuals are consumed by other equal or more critical work. Significant training, background, and development is usually required to perform the required financial analysis work.

3. Is this mission critical? Can it be delayed a month, 2, 3?

This position is mission critical especially given the many rate cases and other competing new projects, including the HCEI agreement initiatives.

4. Are there other ways to meet this in the short term without hiring, i.e., consider a contractor/HECO temp and convert to regular in later 2008 (delay pension costs further)?

No. A specialized, in-depth knowledge about HECO's accounting, financing, legislative, and regulatory policies procedures, agreements, and requirements are necessary to complete the work assigned to this Senior Financial Analyst position most efficiently and effectively.

5. Does this position require additional, new or modified facilities? If so, what is the amount estimated by Facilities (Cheryl Fujiwara) and is this amount budgeted/unbudgeted, etc.?

We have an existing workstation that can be used. However, we will need a chair, computer, phone, etc.

2009 PD Budgeting and Financial Analysis.doc

**HAWAIIAN ELECTRIC COMPANY
MERIT
POSITION DESCRIPTION**

Position Title:	Manager, Budgets and Financial Analysis
Department:	Budgets and Financial Analysis
Reports to:	Sr VP, Finance and Administration

Job Code: M245

Role: E

FLSA: E

Date: 2/27/09

Primary Role/Function

Directs the company's financial planning and budgeting process for HECO, HELCO and MECO. Directs the financial analysis activities to provide accurate, timely and effective financial and economic information and/or analyses which meet the needs and requirements of management, stockholders, and government and regulatory agencies. Recommends and implements appropriate economic analysis approaches throughout the Company.

Job Responsibilities

- | | | |
|---|-----|---|
| * | 40% | Manages the financial analysis function for HECO, HELCO and MECO. Assists in developing approaches for economic analysis of very complex transactions and/or alternatives with significant long-term financial or strategic impact such as the sale or purchase of business segments, purchase power contracts, large (multi-million dollar) capital investments, and alternative integrated resource plans. Ensures appropriate and consistent use of economic methods for evaluating alternatives. Represents the Sr VP, Finance and Administration on task forces and committees to provide financial insights and understanding for various projects. |
| * | 30% | Manages the planning and budgeting process for HECO, including the capital and operating budgets and 5-year financial forecasts. |
| * | 20% | Prepares and delivers testimony for PUC filings such as rate case and other large projects requiring PUC approval (e.g. purchase power contracts, large capital investments). |
| * | 5% | Manages and administers all divisional personnel matters including performance appraisals, hiring, discipline, recognition, training and development, safety and teamwork. |
| * | 5% | Coordinates the analysis and communication of the economic effects of various accounting methods. |

* Denotes a "Fundamental Responsibility"

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor

2009 PD Budgeting and Financial Analysis.doc

Manager, Budgets and Financial Analysis M245

Minimum Qualifications

Knowledge Requirements:

- Extensive knowledge of microeconomic and regulatory economics.
- Extensive knowledge of accounting, finance and rate-making principles and practices.
- Thorough knowledge of the Company's strategic objectives
- Thorough knowledge of regulatory accounting practices and decisions by the PUC, normally acquired through courses, self-education and dealings with the PUC.
- Working knowledge of corporate tax laws and regulations.
- Working knowledge of generation expansion planning, principles of electricity generation, and transmission and distribution planning.
- Working knowledge of personal computers and/or mainframe systems and related software applications such as spreadsheets, word processing, etc.
- Basic knowledge of utility operations and planning.

Skills Requirements

- Excellent written, oral and presentation skills
- Excellent business judgment - the ability to see beyond the obvious, to evaluate all knowledge and experience and to select the "right" course of action at the "right" time from a multitude of possibilities - and executive decision-making ability. In-depth analytical and computational skills. Ability to quickly separate the relevant from the irrelevant in gathering information, make reasonable assumptions, prepare accurate analyses, and reach sound conclusions.
- Ability to apply and direct the application of specialized financial knowledge and general business knowledge to complex transactions.
- Highly developed interpersonal skills with the ability to work with individuals of different disciplines and management levels, within the Company and outside the Company.
- Ability to handle difficult and/or sensitive issues while using tact, courtesy and discretion.
- Effective supervisory and leadership skills with the ability to direct, monitor, and review the work of others and to develop and train others.
- Ability to remain flexible in a demanding work environment and adapt to rapidly changing priorities.

Requirements are representative of minimum levels of knowledge, skills, and abilities. To perform the position successfully, the incumbent will need to demonstrate the use of these knowledge, skills, and abilities at an "Effective" level.

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor

2009 PD Budgeting and Financial Analysis.doc

Manager, Budgets and Financial Analysis M245

Experience Requirements

- Extensive (5-7) years of financial analysis, budgeting principles and accounting experience (Experience in public accounting or business credit analysis may be considered.)
- Multiple (3-5) years of utility experience relating to rate making, utility accounting or utility planning.
- Multiple (5-7) years of supervisory experience.

Requirements are representative of minimum levels of knowledge, skills, and abilities. To perform the position successfully, the incumbent will need to demonstrate the use of these knowledge, skills, and abilities at an "Effective" level.

Positions Supervised

<u>Title</u>	<u>Number Supervised</u>
Administrative Assistant	1
Financial Systems Analyst	1
Director, Budgets	1
Senior Financial Analyst	2
Financial Analyst	1

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2009 PD Budgeting and Financial Analysis.doc

Manager, Budgets and Financial Analysis M245

Physical Requirements

Only items that are necessary to perform the "fundamental" responsibilities of the position are indicated.

"F" for Frequently: Daily, several times a week, weekly

"O" for Occasionally: Monthly, Couple times a year

<input type="checkbox"/>	Standing	<input type="checkbox"/>	Lifting/Carrying below 25 lbs.
<input type="checkbox"/>	Walking	<input type="checkbox"/>	26 to 50 lbs.
F	Sitting	<input type="checkbox"/>	above 50 lbs.
<input type="checkbox"/>	Climbing Ascending or descending ladders, stairs, or other objects.	<input type="checkbox"/>	Vision acuity the ability to see clearly 20 feet or more
<input type="checkbox"/>	Balancing on narrow, slippery, or erratically moving surfaces.	<input type="checkbox"/>	Color vision the ability to identify and distinguish different colors.
<input type="checkbox"/>	Stooping, kneeling, crouching, crawling, and/or squatting	<input type="checkbox"/>	Night vision the ability to perform work at night with the use of portable lighting.
F	Handling Working with hands, arms or fingers.	F	Talking
<input type="checkbox"/>	Feeling Perceiving attributes such as size, shape, temperature or texture.	F	Hearing
F	Ability to follow written/oral instructions	F	Ability to perform simple, repetitive tasks for an extended period of time
		F	Ability to perform complex and varied tasks for an extended period

Environmental Conditions

The employee will be exposed to the following environmental conditions in performing the "fundamental" responsibilities of the position.

<input type="checkbox"/>	Extreme Cold cold temperatures for an hour or more	<input type="checkbox"/>	Working Outdoors may be during prevailing weather/climate conditions
<input type="checkbox"/>	Extreme Heat warm/hot temperatures for an hour or more	<input type="checkbox"/>	Hazardous Conditions potentially life-threatening situations
<input type="checkbox"/>	Wetness	<input type="checkbox"/>	Work above 5 feet
<input type="checkbox"/>	Use of personal protective equipment (hard hats, respirator, leather gloves, rubber glove, safety shoes, nomex clothing)	<input type="checkbox"/>	Work above 70 feet
O	Work in emergency/potentially "high stress" situations	<input type="checkbox"/>	Work on mountain trails/cliff sides
<input type="checkbox"/>	Noise At least 80 decibels		

Job responsibilities are subject to possible modification to reasonably accommodate individuals with disabilities.

Some job requirements may exclude individuals who pose a direct threat or significant risk to the health and safety of themselves or other individuals.

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From: Li, Susan
Sent: Monday, July 20, 2009 8:02 AM
To: Timbal, Natalie; Viola, Joseph
Subject: RE: Testimony for

Kevin Katsura was hired in 2007 to work primarily on regulatory matters. Due to the significant number of regulatory initiatives the utilities either had brought before the Public Utilities Commission or anticipated filing in the near future, it was deemed prudent and economical to bring in-house an attorney who had experience in regulatory matters and who could work closely with the Regulatory Affairs group to help with the heavy workload.

Susan A. Li

Vice President-General Counsel
Hawaiian Electric Company, Inc.
(808) 543-4791
susan.li@heco.com



Hawaiian Electric Company, Inc.
An Equal Opportunity/Affirmative Action Employer

JVR #: P1701
Application Deadline: 12/28/06

MERIT JOB VACANCY NOTICE

Position: Associate General Counsel
Role: Facilitator
Number of Vacancies: One (1)
Department: Legal
Division: Legal
Primary Work Location: Central Pacific Plaza, Suite 1300
Remarks:

Primary Responsibilities:

- Provide legal services, including evaluation of legal issues and assessment of risk, in a wide range of areas, including business law (with an emphasis on contracts and corporate liabilities), public utilities regulatory law, labor and employment law, environmental regulation, real property, securities, finance, compensation and benefits, legislation and litigation. Develop preventative law programs including training to assist operational managers in the handling of their work. Advise officers and managers regarding new laws, legal trends, cases and policies pertinent to the Company.
- Provide work direction or monitor work performed by outside attorneys and monitor such costs.
- Assist in the development of Company policies, procedures, and strategies.
- Handle routine matters in court or before governmental administrative agencies, including the Public Utilities Commission.
- Develop policies, procedures and systems for provision of legal services, monitoring of potential areas requiring legal review, and ensuring that cost effective, high caliber legal services are provided.
- Participate as a legal adviser on task forces, committees and special projects.
- Provide such other services as attorney's abilities, education, and experiences enable attorney to perform.

All positions open to external applicants will be listed on the
Employment Hotline at 543-4611 and at <http://careers.heco.com>.

Do Not Remove from Bulletin Board Until Posting Expires.

Should you have any questions, please contact Workforce Staffing & Development at 543-4620 or 543-4686.

WINNER OF THE EDISON AWARD
FOR DISTINGUISHED INDUSTRY LEADERSHIP



Post on Bulletin Board From: 12/21/06-12/28/06



Hawaiian Electric Company, Inc.
An Equal Opportunity/Affirmative Action Employer

JVR #: P1701
Application Deadline: 12/28/06

Knowledge Requirements:

- Law degree, membership in the Hawaii State Bar Association, and licensed to practice law in Hawaii.
- Thorough knowledge in commercial and business law (particularly contract law)
- General knowledge and familiarity with other areas of the law such as labor, environmental, litigation, employee benefits, corporate finance, securities, administrative and real property.

Skills Requirements:

- Ability to work independently.
- Ability to make mature, experienced business judgments.
- Ability to communicate clearly, persuasively, logically and succinctly (both verbally and in writing).
- In-depth analytical, organizational and conceptual skills to handle various projects and programs.
- Ability to identify, analyze and research legal issues affecting the Company, and make recommendations to address the problem.
- Demonstrated ability to remain flexible in a demanding work environment and adapt to rapidly changing priorities.

Experience Requirements:

- Multiple (5-7) years legal experience required.
- Experience working with the Public Utilities Commission preferred.

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Employment Hotline at 543-4611 and at <http://careers.heco.com>.

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Hawaiian Electric Company, Inc.
An Equal Opportunity/Affirmative Action Employer

JVR #: P1701
Application Deadline: 12/28/06

If there are no applicants with this experience, the company may consider applicants without such experience who meet the knowledge/skill requirements. If such an applicant is hired, he or she will initially be placed on a development plan commensurate with their education and experience level.

To Apply:

Any employee who meets the minimum requirements should apply on-line at Café BEST by clicking on the link below:

http://intranet/humanresources/jvns/jvn_eol_apply.asp?id=1724

(Should you have problems linking to the on-line application, please call 543-4641.)

Submittal of an application or resume for the position:

1. *Authorizes HECO to share any and all information regarding previous or present employment, educational training or personal information from their records and from any other source with the hiring department or subsidiary company;*
2. *Releases and waives HECO from any and all liability for any damage which may be claimed as a result of furnishing such information to the hiring department or subsidiary company; and*
3. *Authorizes release and transfer of all personnel records to be maintained by the hiring company in the event of an inter-company transfer.*

NOTE: a) To the extent permitted by law, HECO may conduct a criminal conviction record inquiry for the past 10 years. b) HECO is an equal employment opportunity and affirmative action employer. We actively seek diversity among our employees. We do not discriminate on the basis of age, race, color, religion, gender/sex, national origin, ancestry, disability, marital status, arrest and court record, sexual orientation, veteran status, or other protected categories in accordance with state and federal laws. c) If you require accommodations during the application process, please contact Workforce Staffing & Development at 543-4641 or 543-4686.

All positions open to external applicants will be listed on the
Employment Hotline at 543-4611 and at <http://careers.heco.com>.

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WINNER OF THE EDISON AWARD
FOR DISTINGUISHED INDUSTRY LEADERSHIP



Post on Bulletin Board From: 12/21/06-12/28/06

**HAWAIIAN ELECTRIC COMPANY
MERIT
POSITION DESCRIPTION**

Position Title: Director, Special Projects
Department: Customer Solutions
Reports to: Vice President, Customer Solutions

Job Code: J2616

Role: F

FLSA: A

Date: 11-19-08

Primary Role/Function

Directs the development and implementation of strategies to deliver new emerging technologies and innovative programs that create exceptional value for customers. These strategies and programs will drive customers to make electricity the preferred source of energy in new construction, existing buildings, and across all classes of customers. The immediate responsibility will be the implementation of initiatives related to the Hawaii Clean Energy Initiative.

Job Responsibilities

- * 30% Plans, develops and directs the implementation of policies, programs and activities of the Hawaii Clean Energy Initiative and related programs by taking a leadership role and integrating these programs across the Customer Solutions process area and other process areas of the company.
- * 30% Explore and update demand response programs that manage emergency grid operations, will accommodate more renewable energy in the future, and provide flexible pricing signals to drive customer behavior.
- * 20% Lead process area contribution to the Clean Energy Scenario Planning process including the development of scenarios for energy efficiency, demand response, innovative rate design and other programs as defined by that process.
- * 10% Coordinate and assist process area legislative activity related to energy efficiency, solar water heating, building codes and other Hawaii Clean Energy Initiative's legislative issues.
- * 10% Develop, recommend and implement marketing plans and programs that provide new products or services to customers or generate additional income for the company.

* Denotes a "Fundamental Responsibility"

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Director, Special Projects J2616

Minimum Qualifications

Knowledge Requirements:

- Thorough knowledge of electric utility customer programs including pricing programs, advanced metering, technology adoption, energy efficiency, and demand response.
- Thorough knowledge of energy technologies, equipment and economic analysis.
- Thorough knowledge of principles of utility rates making, PUC processes, and development of PUC filings.
- Graduate level courses in marketing, finance, and accounting are highly desirable.
- Working knowledge of personal computers and/or mainframe systems and related software applications such as spreadsheets, word processing, etc.
- Broad knowledge of various programs and services offered by energy service companies.

Skills Requirements

- Excellent written, oral and presentation skills.
- Strong interpersonal skills to influence and persuade various groups or individuals.
- Ability to work with a variety of individuals, occasionally dealing with sensitive, difficult or confrontational issues.
- Ability to remain flexible in a demanding work environment and adapt to rapidly changing priorities.
- In depth analytical, computational, organizational, and conceptual skills to handle various projects and programs.
- Must have or be able to qualify for State of Hawaii and HECO driver licenses in order to travel to a customer's site on a frequent basis.

Experience Requirements

- Extensive (7 or more years) experience in the field of engineering, marketing, system planning, or economic analysis within the utility industry.

Requirements are representative of minimum levels of knowledge, skills, and abilities. To perform the position successfully, the incumbent will need to demonstrate the use of these knowledge, skills, and abilities at an "Effective" level.

Positions Supervised

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Director, Special Projects J2616

Physical Requirements

Only items that are necessary to perform the "fundamental" responsibilities of the position are indicated.

"F" for Frequently: Daily, several times a week, weekly

"O" for Occasionally: Monthly, Couple times a year

<input type="checkbox"/> F	Standing	<input type="checkbox"/> O	Lifting/Carrying below 25 lbs.
<input type="checkbox"/> F	Walking	<input type="checkbox"/> O	26 to 50 lbs.
<input type="checkbox"/> F	Sitting	<input type="checkbox"/>	above 50 lbs.
<input type="checkbox"/> O	Climbing Ascending or descending ladders, stairs, or other objects.	<input type="checkbox"/> F	Vision acuity the ability to see clearly 20 feet or more
<input type="checkbox"/> O	Balancing on narrow, slippery, or erratically moving surfaces.	<input type="checkbox"/> F	Color vision the ability to identify and distinguish different colors.
<input type="checkbox"/> O	Stooping, kneeling, crouching, crawling, and/or squatting	<input type="checkbox"/>	Night vision the ability to perform work at night with the use of portable lighting.
<input type="checkbox"/> F	Handling Working with hands, arms or fingers.	<input type="checkbox"/> F	Talking
<input type="checkbox"/> F	Feeling Perceiving attributes such as size, shape, temperature or texture.	<input type="checkbox"/> F	Hearing
<input type="checkbox"/> F	Ability to follow written/oral instructions	<input type="checkbox"/> O	Ability to perform simple, repetitive tasks for an extended period of time
		<input type="checkbox"/> F	Ability to perform complex and varied tasks for an extended period

Environmental Conditions

The employee will be exposed to the following environmental conditions in performing the "fundamental" responsibilities of the position.

<input type="checkbox"/>	Extreme Cold temperatures for an hour or more	<input type="checkbox"/>	Working Outdoors may be during prevailing weather/climate conditions
<input type="checkbox"/>	Extreme Heat warm/hot temperatures for an hour or more	<input type="checkbox"/>	Hazardous Conditions potentially life-threatening situations
<input type="checkbox"/>	Wetness	<input type="checkbox"/>	Work above 5 feet
<input type="checkbox"/>	Use of personal protective equipment (hard hats, respirator, leather gloves, rubber glove, safety shoes, nomex clothing)	<input type="checkbox"/>	Work above 70 feet
<input type="checkbox"/>	Work in emergency/potentially "high stress" situations	<input type="checkbox"/>	Work on mountain trails/cliff sides
<input type="checkbox"/>	Noise At least 80 decibels		

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**HAWAIIAN ELECTRIC COMPANY
MERIT
POSITION DESCRIPTION**

Position Title: Manager
Department: Renewable Integration
Reports to: Vice President, Power Supply

Job Code: J242
Role: E

FLSA: A
Date: 2/8/08

Primary Role/Function

Manages and facilitates, through a matrix organization, the integration of renewable energy projects into the HECO system. Oversees and coordinates activities associated with the development of performance standards, interconnection requirements, and procedures to sustain reliable operation of the electric grid.

Job Responsibilities

This position conceives, plans, directs, and implements specific projects, programs, and activities in support of overall corporate goals and programs with extensive and diversified requirements. Initiates and maintains contacts with key individuals inside/outside of the company in the interest of joint problem solving, coordination, and keeping up with technical, social, political, and regulatory developments. Decisions and actions directly and significantly impact the financial integrity and ability of the company to provide adequate and reliable electric service. Decisions and actions directly impact credibility and/or liability of the company in the areas of operational safety, environmental compliance, public relations, and regulatory relationships.

- *60% Directs the development of performance standards and interconnection requirements for renewable projects. Enables the hiring of consultants and facilitates discussions with developers on the technical aspects of integrating renewable projects into the HECO grid. Collaborates with others on operational assessments of renewable projects on the HECO grid including the development and/or modification of system operating procedures, establishment of communication protocols, renewable start-up, testing, and performance monitoring, incident investigations, and serving as a technical resource to support PPA contract administration.
- *20% Directs, prepares, reviews, and/or delivers expert testimonies and other documents, filed with the Public Utilities Commission (PUC) or other external agencies such as the State Legislature, pertaining to the technical aspects of integrating renewable energy projects into the HECO grid.

* Denotes a "Fundamental Responsibility"

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor

Manager

*20%	Develops and supports training and knowledge transfer activities for various stakeholders and audiences with the objective of facilitating an understanding of renewable integration on the HECO grid. Provides technical, and administrative leadership in the documentation, and development of written standards and procedures. Assists in other cross functional activities as assigned. Acts as Company Representative on a regular basis. Substitutes for Vice President, Power Supply during his/her absence.
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Manager

Minimum Qualifications

Knowledge Requirements:

- Extensive knowledge of engineering and business principles
- Extensive knowledge and experience in the areas of generation design, system operation and system dynamics.
- Extensive knowledge of utility economic analysis methods, financial and accounting systems, and management reporting systems.
- Extensive knowledge of PUC, environmental, safety, and other federal and state regulations involving the maintenance and operation of power supply systems.
- Practical knowledge of policies and procedures contained in Company/Union agreement, Accident Prevention Manual, General Information Manual, Code of Conduct, and other documents concerning company and department policies and procedures.
- Thorough knowledge of regulatory processes (e.g. PUC Rate Cases, Complaint Proceedings, Capital Expenditure Applications, Environmental Permitting, etc.).
- Working knowledge of personal computers and/or mainframe systems, and related software applications to include word processing, spreadsheets, data bases, resource planning/optimizing specialized simulation models, and the ability to direct development, modification, testing, implementation, documentation, and operation of complex technical engineering/scientific computer programming models.
- Working knowledge of budgeting/forecast process.

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Manager M220

Minimum Qualifications (continued)

Skills Requirements

- Excellent department-level managerial skills in analysis, planning, and control, to include, supervision, communication, interpersonal relationships, and budgeting.
- Excellent supervisory/leadership/interpersonal skills including excellent written, oral, listening, and presentation/platform communication skills/conflict resolution skills; the ability to use tact, courtesy, and discretion while working effectively with a variety of individuals, occasionally dealing with sensitive, difficult or confrontational issues; the willingness and ability to train. Strong negotiating, influencing, and persuading techniques.
- Excellent extensive analytical and administrative skills required for such tasks as preparing, monitoring and analyzing forecasts; preparing performance appraisals and conducting interviews; carrying out company/department policies and procedures.
- Sophisticated technical experience and skills required to integrate the many facets of power system planning, design, and operations with nearly all areas of the Company and its subsidiaries.
- Imaginative, flexible, positive thinker. Ability to obtain innovative solutions in a demanding, high stress work environment of previously unsolved or unresolved issues while quickly adapting to rapidly changing priorities.
- Analytical, organizational, and conceptual skills to handle various complex ideas, projects, and programs.
- Must have or be able to qualify for a State of Hawaii driver's license and HECO driver's license in order to travel to/from meetings conducted outside the company.

Experience Requirements

- Minimum 15 years experience in power system planning, design, or operations, with a minimum 3 years in the operations area preferred.

Requirements are representative of minimum levels of knowledge, skills, and abilities. To perform the position successfully, the incumbent will need to demonstrate the use of these knowledge, skills, and abilities at an "Effective" level.

Positions Supervised

<u>Title</u>	<u>Number Supervised</u>
NA	

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Manager

Physical Requirements

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"F" for Frequently: Daily, several times a week, weekly

"O" for Occasionally: Monthly, Couple times a year

<input type="radio"/> O	Standing	<input type="radio"/> F	Lifting/Carrying below 25 lbs.
<input type="radio"/> O	Walking	<input type="radio"/> O	26 to 50 lbs.
<input type="radio"/> F	Sitting	<input type="radio"/>	above 50 lbs.
<input type="radio"/> O	Climbing Ascending or descending ladders, stairs, or other objects.	<input type="radio"/>	Vision acuity the ability to see clearly 20 feet or more
<input type="radio"/>	Balancing on narrow, slippery, or erratically moving surfaces.	<input type="radio"/> O	Color vision the ability to identify and distinguish different colors.
<input type="radio"/>	Stooping, kneeling, crouching, crawling, and/or squatting	<input type="radio"/>	Night vision the ability to perform work at night with the use of portable lighting.
<input type="radio"/> F	Handling Working with hands, arms or fingers.	<input type="radio"/> F	Talking
<input type="radio"/>	Feeling Perceiving attributes such as size, shape, temperature or texture.	<input type="radio"/> F	Hearing
<input type="radio"/> F	Ability to follow written/oral instructions	<input type="radio"/> F	Ability to perform simple, repetitive tasks for an extended period of time
		<input type="radio"/> F	Ability to perform complex and varied tasks for an extended period

Environmental Conditions

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<input type="radio"/>	Extreme Cold cold temperatures for an hour or more	<input type="radio"/>	Working Outdoors may be during prevailing weather/climate conditions
<input type="radio"/>	Extreme Heat warm/hot temperatures for an hour or more	<input type="radio"/>	Hazardous Conditions potentially life-threatening situations
<input type="radio"/>	Wetness	<input type="radio"/>	Work above 5 feet
<input type="radio"/> O	Use of personal protective equipment (hard hats, respirator, leather gloves, rubber glove, safety shoes, nomex clothing)	<input type="radio"/>	Work above 70 feet
<input type="radio"/> F	Work in emergency/potentially "high stress" situations	<input type="radio"/>	Work on mountain trails/cliff sides
<input type="radio"/> O	Noise At least 80 decibels		

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DRAFT, 7/31/08

HAWAIIAN ELECTRIC COMPANY
MERIT
POSITION DESCRIPTION

Position Title: Manager, Corporate Planning
Department: Corporate Planning
Reports to: EVP, Public Affairs

Job Code: M243

Role: E

FLSA: E

Date: 8/1/2008

Primary Role/Function

Manage and direct corporate planning, including companywide strategic plans and initiatives, long-term Energy Futures Planning (IRP replacement) resource planning, continuous improvement efforts, and risk assessment and risk management strategies.

Job Responsibilities

- | | | |
|---|-----|---|
| * | 35% | Responsible for managing corporate planning activities and strategies. Lead the development of corporate plans and coordination of regulatory, finance, and operations areas. Included in this responsibility is: <ul style="list-style-type: none">• Developing and updating corporate strategies• Developing and working on key strategic initiatives• Working with HECO finance and HEI IR on external reporting and messaging products.• Participating in budgeting processes to ensure alignment of budgets with strategies• Liaising with HEI on corporate strategies Developing briefing material to communicate strategies and plans to executive management and to the board of directors. |
| * | 35% | Manage company Energy Futures Planning. Responsible for the development of new EFP process, execution of EFPs for HECO, HELCO, and MECO, coordinating planning work with system planning, energy services, operations, forecasting, and other areas of the company in completing an EFP. Responsible for managing the EFP advisory committee process and managing meetings and presentations to the public. |
| * | 20% | Responsible for coordinating HECO's enterprise risk management efforts (Project Delta). Working with all process areas of HECO, HELCO, and MECO in risk assessments, coordinate with HEI director of enterprise risk, corporate ERM activities. Provide guidance and recommendations to HECO executive management team based on ERM analysis and products. |

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DRAFT, 7/31/08

Manager, Corporate Planning M243

*	10%	Work on special assignments for the senior executive team on complex projects or initiatives requiring extreme discretion.
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DRAFT, 7/31/08

Manager, Corporate Planning M243

Minimum Qualifications

Knowledge Requirements:

- Bachelors degree in Business Administration, Finance, Engineering, or a Planning or other related fields is required. Advanced degree preferred.
- Working knowledge of strategic planning, business process improvement, integrated resource planning or other energy resource planning methods.
- Working knowledge of utility finance.
- Working knowledge of utility regulations and the regulatory process of the Hawaii Public Utilities Commission.
- Working knowledge of utility operations.
- Working knowledge of current business, energy, and regulatory issues.

Skills Requirements

- Highly skilled and capable communicator comfortable in both fast-moving problem solving situations and long-term strategic planning discussions.
- Excellent interpersonal skills. Ability to evaluate and assess people/situations, develop and maintain relationships, and work with employees and external stakeholders at all levels.
- Highly developed written and oral communication skills. Ability to listen intently for details, digest and convey complex information, and produce clear, concise, and effective presentations, speeches, and correspondences.
- Exceptional facilitation and mediation skills and the ability to think outside of the box and synthesize concepts into a coalesced vision, business strategy or implementation plan.
- Proven ability to work in a strategic and detail level.
- Proven ability to take initiative and ownership, pull together divergent interests, and drive projects to completion.
- Solid leadership skills and the ability to work with a variety of individuals dealing with sensitive, difficult or confrontational issues. Ability to handle such issues with professionalism while using tact, courtesy, and discretion.
- Comfortable and effective in an ambiguous and demanding environment.

Experience Requirements

- Several (3-5) years of business management experience, preferably in the area of strategic planning, business process improvement, new business development, or related field.
- Several (3-5) years of utility planning experience in the areas of generation planning, transmission planning, distribution planning or integrated resource planning.
- Several (3-5) years of utility design engineering or operations experience.
- Experience in utility regulatory matters, including experience in developing Statement of Positions, responding to Information Request, drafting and sponsoring testimony, and serving as a witness in a regulatory hearing.
- Supervisory or management experience desirable.

Requirements are representative of minimum levels of knowledge, skills, and abilities. To perform the position successfully, the incumbent will need to demonstrate the use of these knowledge, skills, and abilities at an "Effective" level.

Positions Supervised

TBD

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DRAFT, 7/31/08

Manager, Corporate Planning M243

Physical Requirements

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"F" for Frequently:

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Monthly, Couple times a year

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F	Sitting	<input type="checkbox"/>	above 50 lbs.
<input type="checkbox"/>	Climbing Ascending or descending ladders, stairs, or other objects.	F	Vision acuity the ability to see clearly 20 feet or more
<input type="checkbox"/>	Balancing on narrow, slippery, or erratically moving surfaces.	<input type="checkbox"/>	Color vision the ability to identify and distinguish different colors.
<input type="checkbox"/>	Stooping, kneeling, crouching, crawling, and/or squatting	<input type="checkbox"/>	Night vision the ability to perform work at night with the use of portable lighting.
F	Handling Working with hands, arms or fingers.	F	Talking
<input type="checkbox"/>	Feeling Perceiving attributes such as size, shape, temperature or texture.	F	Hearing
F	Ability to follow written/oral instructions	<input type="checkbox"/>	Ability to perform simple, repetitive tasks for an extended period of time
		F	Ability to perform complex and varied tasks for an extended period

Environmental Conditions

The employee will be exposed to the following environmental conditions in performing the "fundamental" responsibilities of the position.

<input type="checkbox"/>	Extreme Cold cold temperatures for an hour or more	<input type="checkbox"/>	Working Outdoors may be during prevailing weather/climate conditions
<input type="checkbox"/>	Extreme Heat warm/hot temperatures for an hour or more	<input type="checkbox"/>	Hazardous Conditions potentially life-threatening situations
<input type="checkbox"/>	Wetness	<input type="checkbox"/>	Work above 5 feet
<input type="checkbox"/>	Use of personal protective equipment (hard hats, respirator, leather gloves, rubber glove, safety shoes, nomex clothing)	<input type="checkbox"/>	Work above 70 feet
F	Work in emergency/potentially "high stress" situations	<input type="checkbox"/>	Work on mountain trails/cliff sides
<input type="checkbox"/>	Noise At least 80 decibels		

Job responsibilities are subject to possible modification to reasonably accommodate individuals with disabilities.

Some job requirements may exclude individuals who pose a direct threat or significant risk to the health and safety of themselves or other individuals.

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor

**HAWAIIAN ELECTRIC COMPANY
MERIT
POSITION DESCRIPTION**

Position Title: Senior Technical Services Engineer
Department: Energy Projects
Reports to: Manager, Energy Projects

Job Code: S2534

Role: T

FLSA: P

Date: 1/13/03

Primary Role/Function

Prepares project proposals and acts as project engineer/construction manager for distributed generation and renewable energy projects in the commercial, governmental, and residential sectors based upon standardized combined heat and power systems and other alternative forms of energy generation. Develops, implements, and plans various programs and services related to onsite installations of distributed generation and renewable energy projects.

Job Responsibilities

- | | | |
|---|-----|--|
| * | 15% | Assists utility energy services staffs in the assessment of distributed generation and alternate energy opportunities for the benefit of the Company's customers. This includes addressing opportunities such as cogeneration systems, renewable energy systems, hot water heating systems, thermally driven cooling processes, etc. |
| * | 20% | Provides consultation services to major commercial and industrial customers, residential customers, engineering consultants, and architects with a focus on resolving issues related to equipment selection/sizing, economic feasibility, maintenance issues, operational issues, and proper use of distributed generation equipment. Conducts field surveys and site inspections to investigate customer equipment and operations. Actively participates in distributed generation program implementation.

Works closely with Customer Technology Applications Project Engineers and Marketing Services Account Managers to assess opportunities for distributed generation. |
| * | 15% | Works closely with Power Supply Departments to integrate and optimize the function, utility and application of distributed generation within the Company. |

* Denotes a "Fundamental Responsibility"

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor

Senior Technical Services Engineer

Job Responsibilities		
*	45%	Serves as project engineer and construction manager for utility distributed generation and renewable energy projects. Responsibilities include project scheduling, budget preparation, tracking and maintenance, supervision of outside consultants and contractors, and front-line interface with the customer. The goal is to provide additional revenue to the Company while providing "value" to the customer.
*	5%	Conducts research and actively pursues applications for cogeneration and other forms of distributed generation. This activity is designed to provide "value" to the Company's customers while providing the competitive edge necessary to maintain and grow the Company's business.

* Denotes a "Fundamental Responsibility"

This position description in no way states or implies that these are the only duties/functions to be performed by the incumbent. Employee will be required to follow any other job-related duties/functions assigned by the supervisor

Senior Technical Services Engineer

Minimum Qualifications

Knowledge Requirements:

- Mechanical or Electrical engineering degree (Bachelor of Science or Master of Science) from an ABET-accredited college or university is required. Demonstrates detailed knowledge of the application of engineering theories and principles that are pertinent to the Job Responsibilities. This includes thorough knowledge of HVAC&R equipment, HVAC&R systems, digital control systems, maintenance, remote communications, operations, electrical power systems (utility and in-building systems), generation systems, and renewable energy concepts.
- Hands-on experience and knowledge of direct digital controls (DDC), HVAC&R hardware (chillers, heat pumps, compressors, pumps, pump packages, control valves, sensors, relays, valves, heat exchangers, materials selection, piping systems design, electrical control and power systems, etc.).
- Working knowledge of project management principles and concepts usually acquired through engineering experience including services provided by Energy Services Companies.
- Detailed knowledge of personal computers and standard software applications such as Microsoft Office. Knowledge of Autocad™, Visio™, Microstation™, or other CAD software is highly desirable.
- Ability to perform independent research and investigation into fields outside of mechanical engineering (such as electrotechnologies) is highly desirable.
- Ability to perform detailed financial analysis using skills usually obtained through completion of Engineering Economics, Capital Investment Courses, or similar courses in college. Additional course work in accounting and finance would be desirable.
- A Professional Engineer's license is desirable to allow certification of engineering designs.

Skills Requirements

- Must have or be able to qualify for State of Hawaii driver's license and HECO driver's license in order to travel to a customer sites on a frequent basis.
- Must be a self-starter with a clear ability to research, plan, organize, execute, and report on work with little supervision.
- Effective interpersonal skills with the ability to handle difficult and/or sensitive issues with tact, courtesy, and discretion. This skill must be displayed under demanding conditions in the field and over the telephone.
- In-depth analytical, organizational, planning, and conceptual skills to handle multiple projects, programs, and priorities concurrently.
- Effective oral, written, listening and platform skills to communicate with all levels inside and outside of the organization.

Requirements are representative of minimum levels of knowledge, skills, and abilities. To perform the position successfully, the incumbent will need to demonstrate the use of these knowledge, skills, and abilities at an "Effective" level.

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Senior Technical Services Engineer

Experience Requirements

- Extensive (7 or more years) of experience in engineering supplemented by job experience and course work in economic analysis.

Requirements are representative of minimum levels of knowledge, skills, and abilities. To perform the position successfully, the incumbent will need to demonstrate the use of these knowledge, skills, and abilities at an "Effective" level.

Positions Supervised

N/A

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Senior Technical Services Engineer

Physical Requirements

Only items that are necessary to perform the "fundamental" responsibilities of the position are indicated.

"F" for Frequently:

Daily, several times a week, weekly

"O" for Occasionally:

Monthly, Couple times a year

F	Standing
F	Walking
F	Sitting
F	Climbing Ascending or descending ladders, stairs, or other objects.
F	Balancing on narrow, slippery, or erratically moving surfaces.
F	Stooping, kneeling, crouching, crawling, and/or squatting
F	Handling Working with hands, arms or fingers.
F	Feeling Perceiving attributes such as size, shape, temperature or texture.
F	Ability to follow written/oral instructions

F	Lifting/Carrying below 25 lbs.
O	26 to 50 lbs.
O	above 50 lbs.
F	Vision acuity the ability to see clearly 20 feet or more
F	Color vision the ability to identify and distinguish different colors.
F	Night vision the ability to perform work at night with the use of portable lighting.
F	Talking
F	Hearing
O	Ability to perform simple, repetitive tasks for an extended period of time
F	Ability to perform complex and varied tasks for an extended period

Environmental Conditions

The employee will be exposed to the following environmental conditions in performing the "fundamental" responsibilities of the position.

	Extreme Cold cold temperatures for an hour or more	O	Working Outdoors may be during prevailing weather/climate conditions
O	Extreme Heat warm/hot temperatures for an hour or more	O	Hazardous Conditions potentially life-threatening situations
O	Wetness	O	Work above 5 feet
O	Use of personal protective equipment (hard hats, respirator, leather gloves, rubber glove, safety shoes, nomex clothing)	O	Work above 70 feet
O	Work in emergency/potentially "high stress" situations		Work on mountain trails/cliff sides
O	Noise At least 80 decibels		

Job responsibilities are subject to possible modification to reasonably accommodate individuals with disabilities.

Some job requirements may exclude individuals who pose a direct threat or significant risk to the health and safety of themselves or other individuals.

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SUPPLEMENTAL TESTIMONY OF
GAYLE FURUTA-OKAYAMA

DIRECTOR - COMPENSATION DIVISION
COMPENSATION & BENEFITS
HAWAIIAN ELECTRIC COMPANY, INC.

Subject: Merit Employee Wage Increase

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INTRODUCTION

Q. Please state your name and business address.

A. My name is Gayle Furuta-Okayama and my business address is 220 South King Street, Honolulu, Hawaii.

Q. By whom are you employed and in what capacity?

A. I am the Director of the Compensation Divison for Hawaiian Electric Company, Inc. (“Hawaiian Electric” or “Company”). I have provided my educational background and work experience on HECO-S-15A00. My job responsibilities include developing and overseeing the administration of compensation programs for the Company’s non-union workforce.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to address Section II.2.(c) of the Interim Decision and Order (“ID&O”) issued by the Commission on July 2, 2009, which allows the Company to provide additional testimony “examining to what extent current economic conditions have affected increases in wages between 2007 and the 2009 test year, and whether current economic conditions could potentially lead to lower wages than those agreed upon by the Parties on pages 24 and 25 of the Settlement Agreement.” ID&O, pages 11-12.

Bargaining v. Non-Bargaining Salary Increase Budgets

Q. Why is there a difference between the wage increases for non-merit employees and salary increases for merit employees?

1 A. Wage rates and scheduled increases for non-merit, bargaining unit positions are
2 negotiated between the Company and Local 1260 of the International Brotherhood
3 of Electrical Workers (“Union”). Target market pay and annual increase budgets
4 for merit employees, on the other hand, are based on the competitive job market in
5 which the Company competes for merit employees. Bargaining unit employees
6 are also eligible for contractually negotiated penalty pay which is generally not
7 available to merit employees.

8 Q. What is penalty pay?

9 A. Penalty pay includes items such as overtime, double-overtime, meal allowance,
10 call-out pay and shift differentials.

11 Q. How do merit employees receive salary increases?

12 A. Unlike the negotiated general wage increase for bargaining unit personnel, the
13 Company awards merit salary increases based on performance. Decisions on the
14 amount of any individual increase are made on the basis of how well the person is
15 performing in his/her specific position, as documented in their annual
16 performance review.

17 Q. Does every merit employee get an annual salary increase?

18 A. No. Employees must perform at a satisfactory or better level before they are
19 considered for an increase. Additionally, employees already at the maximum of
20 their market rate will not receive an increase regardless of performance. In 2008
21 1.5% of employees received a zero-percent annual merit increase, 5.7% of
22 employees received an increase of 5% or more, with the remaining 92.8% of

1 employees receiving increases of less than 5%.

2 Q. What kind of issues are created when there are different compensation approaches
3 within the same workforce?

4 A. The primary challenge for the Company is managing pay compression between
5 certain bargaining unit and merit positions. Lateral compression occurs between
6 bargaining unit and merit jobs that are similar in nature. Vertical compression
7 occurs in cases where supervisors are responsible for bargaining unit positions
8 that are paid a contractually negotiated wage that is high in comparison to the
9 supervisor's salary. In many cases the basic wage and salary compression is
10 exacerbated by penalty pay that is available only to bargaining unit employees, so
11 that a supervisor could earn substantially less in a year than his/her bargaining unit
12 subordinate. This has historically been a deterrent to Hawaiian Electric's efforts
13 to recruit first-line supervisors in operational areas where the best qualified
14 candidates are typically highly experienced bargaining unit technical staff.
15 Effectively, the candidates that are the most knowledgeable about the Company's
16 utility-specific operations must be willing to take a reduction in pay to be
17 promoted into a position where they will be tasked with broader responsibilities.

18 Lateral compression between merit and bargaining unit jobs of similar
19 nature has created similar limitations when trying to recruit experienced
20 bargaining unit employees for vacant merit positions. It can also create a degree
21 of dissatisfaction among merit incumbents who feel they are performing as much
22 or more work than their bargaining unit counterparts doing similar work, but are

1 held to a higher standard because opportunities to increase their pay is strictly
2 performance driven.

3 In 1999, this kind of dissatisfaction contributed to the first-time formation
4 of a new, professional bargaining unit in the System Operation department.
5 Positions opting to bargain in this unit included Electrical Engineer, and Systems
6 Analyst. These positions were responsible for ensuring the continuous operation
7 of the Energy Management System (“EMS”), which is an integral part of the
8 system that monitors and controls the electrical network that includes generation,
9 transmission, sub-transmission and a portion of the distribution system. System
10 Operation relies on the EMS for 24-hour monitoring of the electrical network in
11 order to protect the system and to avoid or mitigate potential outages. Merit and
12 bargaining unit positions shared responsibility for maintaining different parts of
13 the hardware, and were required to be available (“called out”) anytime there was a
14 problem. Callouts could and did occur anytime after an employees normal work
15 day, including nights, weekends and holidays. When a problem with the hardware
16 occurred, the standard operating procedure was that a merit employee would be
17 called first. However, even when the problem required work to be done by a
18 bargaining unit employee, it was still the responsibility of a merit employee to
19 ensure that proper operation of the EMS was restored, requiring merit employees
20 to be called out to resolve nearly all the off-hour problems. In these callout
21 situations the merit employee did not receive any additional compensation, but the
22 bargaining unit employee received overtime.

1 One of the drivers for the unionization effort was the fact that in 1998, a
2 decision was made to hold back on merit increases for merit employees, due to
3 financial constraints. The bargaining unit employees did not have a scheduled
4 wage increase as it was a contract negotiation year, however in the absence of the
5 wage increase they received a bonus payment. The following issues were raised
6 during the unionization effort by the merit employees who subsequently formed
7 the professional bargaining unit: 1) They did not receive overtime pay when
8 called out to respond to an EMS problem, 2) Takeaways are from merit group, 3)
9 They were not treated equally with bargaining unit employees, i.e. their salaries
10 did not compensate them for their additional responsibilities, 4) No one
11 represented their concerns on an on-going basis to upper management, and 5)
12 They were not treated with “respect”, i.e., they would be called out because their
13 overtime labor is free. This unit eventually de-certified. But there are still areas
14 within the Company where similar concerns are expressed by merit employees.

15 Q. What does the Company do to address this problem?

16 A. A portion of the merit salary increase budget is used to maintain a reasonable
17 differentiation between a supervisor’s salary and the base wages of his or her
18 highest paid bargaining unit direct report. The Company has established a target
19 of 10% as the minimum desired gap. However, even with this differential, there
20 are many instances in key areas such as Power Supply Operations & Maintenance
21 and Energy Delivery where annual pay for bargaining unit employees will exceed
22 that of their supervisors. In lateral pay compression situations where a different

1 pay scale is applied to similar bargaining unit and merit positions, the merit
2 employee can only differentiate their pay based on their individual performance.

3 Q. To what degree could a bargaining unit employee out-earn their supervisor?

4 A. HECO conducted its most recent analysis of vertical compression in 2008, based
5 on actual earnings in 2007. In this analysis, the average pay of various bargaining
6 unit positions was compared to the average pay of their supervisors. In the
7 Construction & Maintenance ("C&M") department, the analysis shows that the
8 bargaining unit positions reporting to the C&M Supervisor earned anywhere from
9 86.1% to 122.6% of the average supervisor's pay. In the Operations &
10 Maintenance department, bargaining unit positions reporting to the Maintenance
11 Shift Supervisor earned from 75.5% to 112.4% of the average supervisor's pay.
12 A chart of the analysis for these supervisory positions is provided as Exhibit
13 HECO-S-15A01

14 These supervisors perform a vital role in ensuring the safe and reliable
15 production and transmission of electricity throughout Oahu. The Maintenance
16 Supervisors oversee the crews responsible for the regular maintenance of the
17 myriad equipment required to generate power at all power plants. C&M
18 Supervisors have direct responsibility for work crews that build and repair the
19 overhead lines and underground cables comprising the islandwide transmission
20 network.

21 Q. Are there other supervisory positions that experience vertical pay compression
22 between with the bargaining unit positions they supervisor?

1 A. An analysis of supervisor salaries as of June 25, 2009 shows there are 24 different
2 supervisory positions, held by 57 individual incumbents that would require a pay
3 adjustment in order to retain a salary that is at least 10% higher than their highest
4 paid bargaining unit subordinate when the negotiated general wage increase goes
5 into effect on January 1, 2010. Of these 57 individuals, the majority are
6 considered fully qualified or better in their current position. The median increase
7 required is 4.1%.

8 Q. Is the 10% pay differential applied to all bargaining unit and supervisory
9 positions' pay?

10 A. No. A supervisor must be fully qualified for their position before his or her pay is
11 adjusted to this level. In some cases a newly promoted or developing supervisor
12 is paid at a level that is less than 10% over their highest paid bargaining unit direct
13 report.

14 Q. What are the bargaining unit wage increases from 2007 through 2009 reflected in
15 the Union contract?

16 A. As discussed in Mr. McNerny's Supplemental Testimony (HECO-S-15B),
17 bargaining unit employees' wages were increased by 3.5% on November 1, 2007
18 and 4.0% on January 1, 2009, and will increase by an additional 4.5% on January
19 1, 2010, as reflected in the Union contract, amended in the Memorandum of
20 Agreement (see Mr. McNerny's exhibit, HECO-S-15B02). Assuming that an
21 average 10% differential between bargaining unit employees' wages and their
22 supervisors' pay is maintained, supervisors' pay would be required to increase by

1 a minimum of 7.5% by 2009.

2 Q. What would be the impact to the pay compression, i.e., holding merit salaries to
3 2007 levels?

4 A. As mentioned earlier in this testimony, the current median increase to maintain a
5 reasonable gap between many of the supervisors and their bargaining unit
6 subordinates is 4.1%. If the Company held merit salaries to 2007 levels, pay
7 compression and its associated problems would be severely compounded. The
8 inability to provide salary increases for merit supervisors will add more difficulty
9 to the Company's efforts to promote the most experienced and knowledgeable
10 utility technicians into operational supervisory positions. As mentioned earlier in
11 this testimony, operational supervisors such as Maintenance and C&M supervisors
12 are key positions to ensure the Company is able to provide reliable service to its
13 customers. Hampering the ability to attract experienced and knowledgeable
14 bargaining unit employees into merit positions will, in effect, increase time to fill
15 for these critical jobs. And, to the degree these positions are filled with lesser
16 qualified individuals, efficiencies will be reduced. Over the long term both
17 conditions will increase costs to the Company as well as to its ratepayers.
18 Additionally, it will aggravate the existing compression issues that led to the
19 unprecedented unionization of professional positions that are traditionally merit
20 jobs. Should HECO experience further unionization of its workforce, labor costs
21 are likely to increase.

22 .

1 2009 Merit Budgets

2 Q. How does Hawaiian Electric establish its annual budgets for merit salary
3 increases?

4 A. Various factors are considered when determining merit salary increase budgets.
5 The Company's Compensation division evaluates available survey data from
6 survey vendors, and reviews data reported on the Hawaii region, national
7 companies in general, and the utility industry. The Compensation division also
8 considers the scheduled bargaining unit general pay increase for the coming year,
9 Company financial performance, and the Company's strategic objectives.
10 Information is reviewed, and a recommendation for the merit salary increase is
11 made to and approved by the Company's Vice President, Corporate Excellence,
12 and President. A final proposal is presented for formal review and discussed by
13 the HEI Compensation Committee, which is comprised of a subset of the HEI
14 Board of Directors. Following their review, the Compensation Committee will
15 make a recommendation for approval by the HEI Board of Directors. The merit
16 budget is implemented following formal approval by the Board of Directors. The
17 proposed and approved merit budgets for the past 5 years is provided in Exhibit
18 HECO-S-15A02 along with statistics of merit budget projections of other
19 companies, gathered through surveys conducted by various vendors.

20 Q. Are companies that operate in the Hawaii region, national companies in general,
21 and the utility industry considered the Company's "competitive market"?

22 A. Yes. The Company's "competitive market" includes the type of companies that

1 share the same labor pool. Hawaiian Electric's competitive market includes
2 mainland and other local utilities, oil refineries, Pearl Harbor, engineering firms
3 and other large diversified local companies.

4 Q. What kind of merit salary budgets are other companies in the competitive market
5 working with for 2009, given the current economy?

6 A. Based on recent survey data in Table 1 below from the Hawaii Employers Council
7 ("HEC") and WorldatWork, local and mainland employers' median 2009 salary
8 budget increases range from 2.2 to 2.0%.

9 Table 1.

	Actual 2008 Salary Budget Increases (median)	Projected 2009 Salary Budget Increases (median)	Actual 2009 Salary Budget Increases (median)
HEC ¹			
WorldatWork ²	3.9%	3.9%	2.2%

¹ Hawaii Employers Council, HICOMP Salary Increase Survey, 2008 - 2009 and 2009 - 2010

10 ² WorldatWork 2009 - 2010 Salary Budget Survey

11 This data reflects the median increase for exempt employees across all
12 participating companies in the survey, without regard to industry.

13 Q. Please expand on the data collected.

14 A. HEC is regarded as the best locally-based source of wage, salary and other
15 employment related information for companies that do business in Hawaii. HEC
16 conducts an annual survey of members of the Hawaii Compensation Group
17 ("HICOMP") to assess member companies' planned salary increases for the
18 following year as well as the amount by which they plan to increase their

1 salary/grade structures. They also survey members to determine the actual salary
2 budget increases in the current year, versus the projected salary budget increases
3 reported in the previous year. As shown in the table above, the median result was
4 that member companies reduced their projected 2009 salary increase budgets by
5 approximately one-third. HECO considers this survey as a good source of data on
6 what local companies are planning, as the participating membership includes
7 larger employers such as all major banks, hospitals, hotels and the larger insurance
8 companies. Data for this survey was collected in June 2009 and includes zero-
9 percent submittals in their averages. The survey includes submittals from 37 mid-
10 to large-size companies doing business in Hawaii.

11 WorldatWork is a global human resources association focused on
12 compensation, benefits, work-life and integrated total rewards to attract, motivate
13 and retain a talented workforce. Founded in 1955, WorldatWork provides a
14 network of more than 30,000 members and professionals in 75 countries with
15 training, certification, research, and conferences. WorldatWork is a well-regarded
16 source for total rewards education and information, on a national and international
17 level. As shown in Table 1, the median result was that participating companies
18 reduced their projected 2009 salary increase budgets by approximately 40%.
19 Their survey results included submissions from 2,644 participants from the United
20 States. Data for this survey were collected in May 2009, and includes zero-
21 percent submittals in their averages. WorldatWork will be publishing the detail
22 survey results in August, but posted the actual overall results noted above on their

1 website page: <http://www.worldatwork.org/waw/adimLink?id=33447>.

2 Q. What was HECO's salary increase budget for 2009, compared to its competitive
3 market?

4 A. Data for actual 2009 salary increase budget spends are not available by industry.
5 However available information for exempt employees for all industries at the
6 median level ranged from 3.0% to 4% as shown in Table 1 above. This is in line
7 with the Company's 2009 original salary increase budget of 4.0% (see Ms. Patsy
8 Nanbu's exhibit, HECO-1105).

9 Q. With the economic downturn, has the Company decided to reduce its salary
10 increases for merit employees?

11 A. Table 1 shows that, although employers may have projected to increase salaries by
12 3-3.9% in 2009, the actual 2009 median salary budget increases range from 2-
13 2.2%. In the Settlement agreement with the other parties, the Company reduced
14 labor expenses by \$532,000 to reflect a 2.0% reduction in wage levels (see
15 HECO-WP-1121 in the Company's response to the ID&O, submitted in the letter
16 to the Commission, dated July 8, 2009, in the instant docket). This reduction was
17 in response to the current economic environment and in the interest of reaching a
18 global settlement (see the Stipulated Settlement Letter, Exhibit 1, pages 24-25,
19 submitted to the Commission on May 15, 2009). As shown in Table 1, this is in
20 line with other employers' actions in 2009.

21

22 Retention & Recruitment Issues

1 Q. What would be the impact of lowering salaries below the level agreed to in the
2 Settlement Agreement?

3 A. Reducing salaries may put our ability to retain our experienced and strongest
4 performers at risk, particularly in those positions for which there is still a strong
5 labor market demand. Despite the economic downturn, Hawaiian Electric and
6 other companies across multiple industries continue to compete over candidates
7 requiring specialized skills such as information technology, financial analysis,
8 engineering, and utility/power generation and transmission. Increased turnover
9 will hamper productivity and increase costs should we experienced repeated or
10 prolonged recruitment efforts. As noted by Ms. Faye Chiogioji in HECO T-15,
11 alternative labor solutions such as using contractors or overtime to maintain
12 productivity increase costs in the long-term which is detrimental to both the
13 Company and to its ratepayers.

14 Reduced salaries will hinder the Company's ability to attract qualified
15 candidates. Although the economic downturn has created an increase in
16 applicants for entry-level positions, there are still a limited number of applicants
17 with the skills or expertise for the vacant difficult-to-fill positions noted above.
18 As an example, the Company currently has 7 engineering positions vacant. These
19 positions have been open from 100 to 463 days, with the average vacancy
20 exceeding 200 days.

21 A recent article posted on BusinessWeek magazine's management webpage
22 states, in part, "And although some experts argue that companies do not need to

1 worry about retention in an employer-friendly labor market, almost all companies
2 are worried about retaining at least one key talent segment where they still are
3 competing intensely for talent or have skills that are difficult to replace. In
4 addition, many companies are justifiably concerned about the implication of
5 current reductions in pay once the economy turns around.”¹

6 Specific to power utilities, a reduction in power engineering graduates
7 nationwide and an industry-wide shortage of skilled utility workers have resulted
8 in strong competition for these types of candidates. The Edison Electric Institute
9 (“EEI”) acknowledges this business challenge in the article “The Human
10 Element”² published last year in “Electric Perspectives”, EEI’s bi-monthly
11 industry periodical. The author notes that more than half of all non-nuclear power
12 plant operators and generation technicians may need to be replaced by 2012.
13 Nearly 46% of all engineering jobs - about 15,000 engineers - could also become
14 vacant at the same time. Yet due to a dearth of Power Engineering programs,
15 universities annually collectively graduate only about 50 engineers with majors in
16 Power.

17 To date in 2009, a few candidates were unwilling to accept jobs with
18 Hawaiian Electric for which they were qualified because pay rates were
19 significantly lower than what they were currently earning. At least one external
20 candidate for each of the following engineering positions declined employment

¹ “Compensation: Getting the Most Out of a Smaller Budget”, Corporate Executive Board June 19, 2009, authored by Michal Kisilevitz, Managing Director, Corporate Executive Board.

² “The Human Element”, Electric Perspectives July/August 2008, authored by Eric Krell

1 offers from the Company, citing non-competitive salary as the reason: Designer
2 II, Technical Services Engineer, and Sr. Technical Services Engineer. We have
3 also had qualified candidates decline to interview for positions, once they learn of
4 the salary range. As an example, the Company lost a highly desirable applicant
5 for the Director, Power Purchase Negotiation position, who was doing a very
6 similar job for an electric utility in Arizona. He declined to progress further in the
7 selection process after learning that the market rate for the position is 8.3% lower
8 than his current salary, and there is no comparable program to match his current
9 bonus opportunity of up to 20% of his base pay. The Company's second choice
10 applicant for this same position also declined to interview, citing his current salary
11 was 12.3% over the market rate.

12 Q. How does reducing salaries for the existing workforce impact your ability to
13 recruit new employees?

14 A. In addition to performance the Company looks closely at internal equity when
15 determining individual salary levels. The Company is reluctant to offer new
16 external hires higher salaries than current individuals with proven performance in
17 the same job. Recent determinations that the practice of hiring individuals based
18 on their "going rate" without consideration for salary parity is potentially
19 discriminatory, underscore the need to factor in existing pay levels. Limiting the
20 Company's ability to pay its high performers on a par with its competitive market
21 also establishes a non-competitive ceiling for attracting qualified and experienced
22 external candidates. Thus, limiting the Company's ability to pay salaries

1 commensurate with those in the competitive market will hurt the Company's
2 ability to recruit and retain highly educated and skilled merit employees. In the
3 long term, this will hamper productivity, increasing other costs and may, to a
4 certain extent, adversely impact the quality of service that the Company can offer.

5 Q. Does this conclude your testimony?

6 A. Yes, it does.

Hawaiian Electric Company, Inc.

GAYLE FURUTA-OKAYAMA

EDUCATIONAL BACKGROUND AND EXPERIENCE

Business Address: Hawaiian Electric Company, Inc.
200 S King Street, Suite 700
Honolulu, HI 96813

Position: Director
Compensation

Education: Bachelor of Business Administration, Industrial Relations,
University of Hawaii at Manoa
Senior Professional in Human Resources (SPHR), 2002 - 2005

Experience: Hawaiian Electric Company, Inc.

2005 - Present
Director
Compensation

Experience: State Of Hawaii – Department Of Taxation
(continued)

2004 - 2005
Consultant, Organizational Development/Change Management
(Temporary)

CGI-AMS

2003 - 2004
Consultant, Organizational Development/Change Management

SPIRENT COMMUNICATIONS

2000 – 2003
Human Resources Manager

Experience:
(continued)

SPRINT HAWAII - LONG DISTANCE/USA

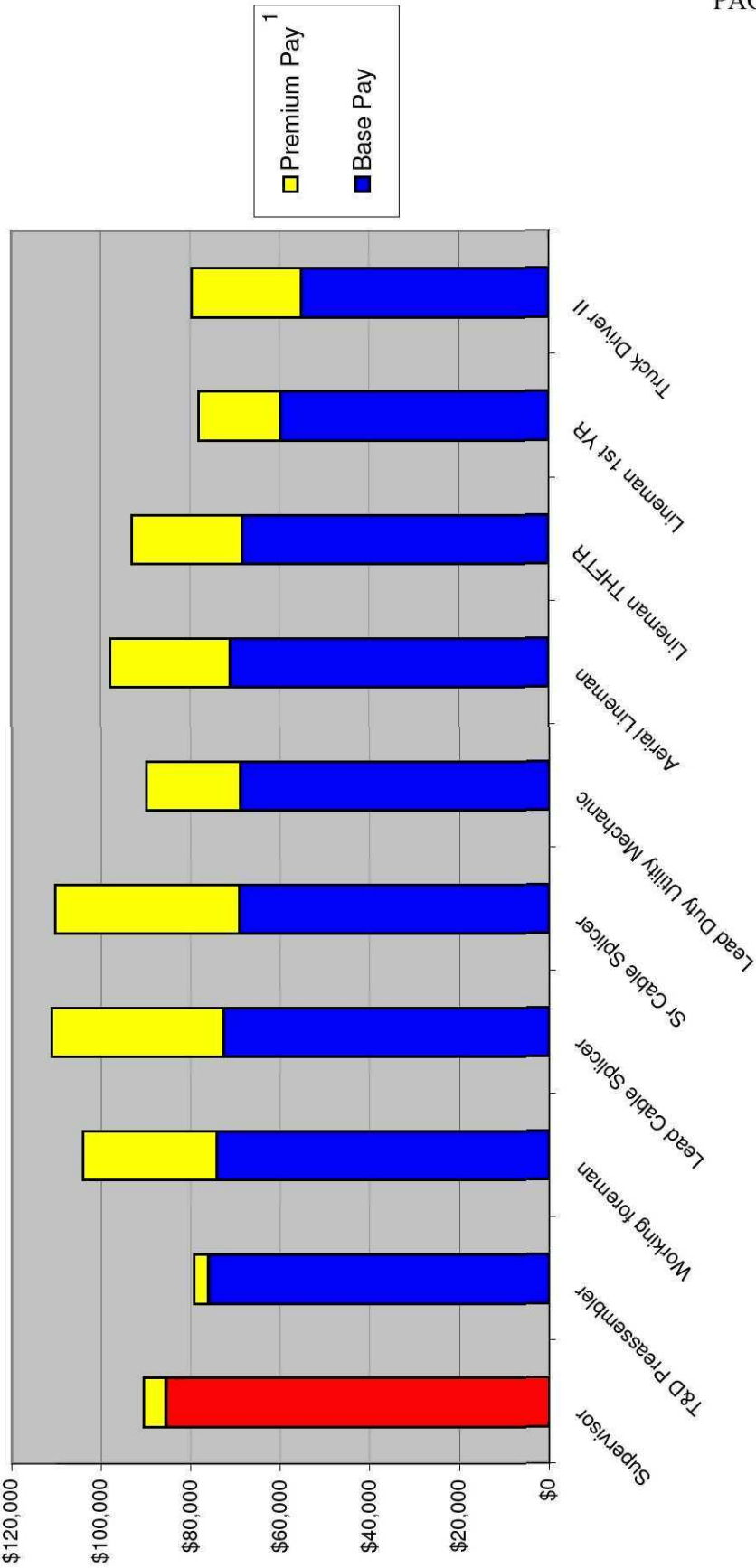
1987 - 2000

Hawaii Region Human Resources Manager

1985 – 1987

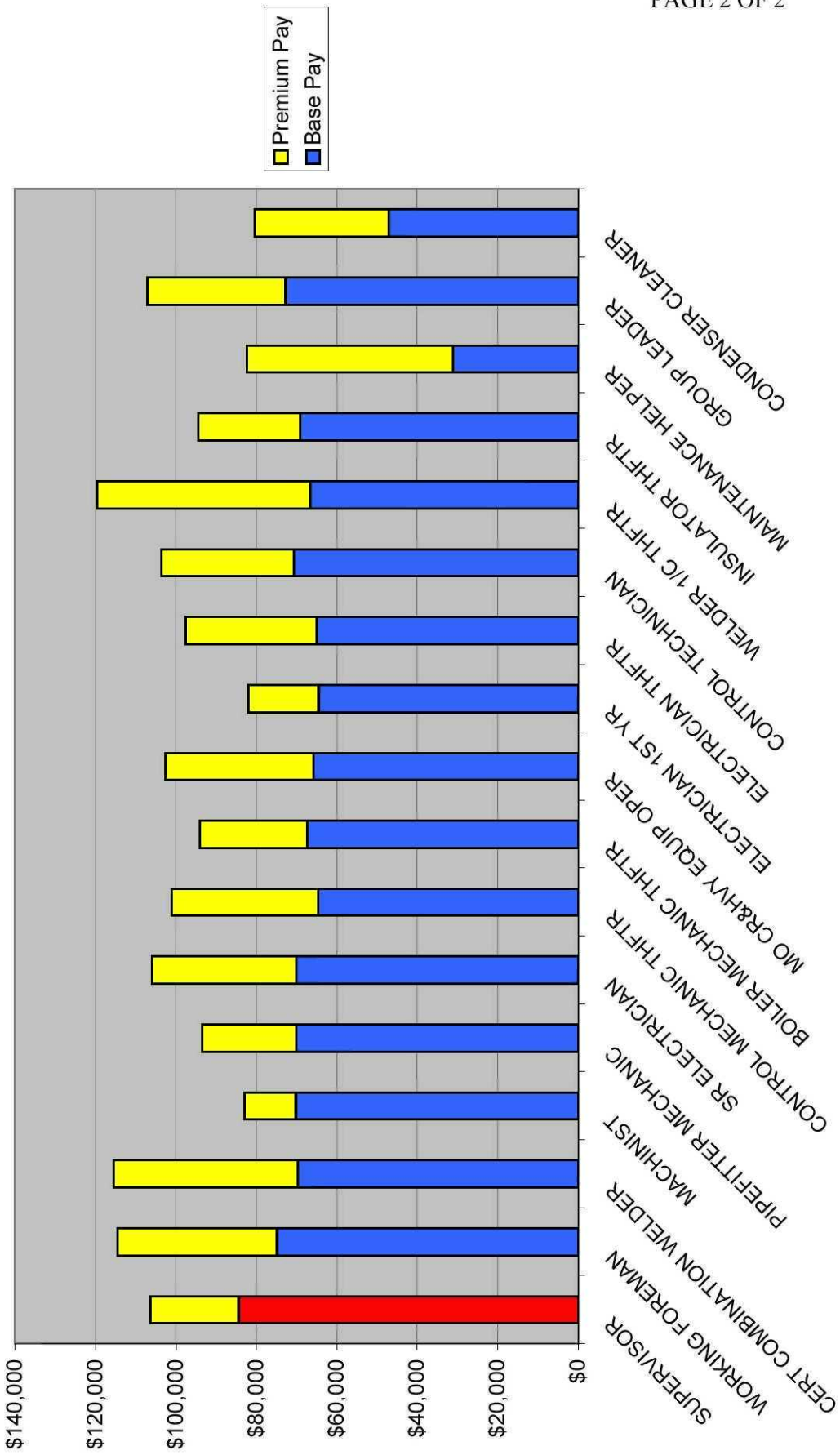
Telemarketing Manager

2007 Supervisor vs BU Average Earnings
Construction & Maintenance



1 Premium Pay for Supervisors includes the following: Extra Straight Time.
Premium Pay for BU Employees includes the following: Overtime, Penalty, Differential and Meals.

2007 Supervisor vs BU Average Earnings
O&M Maintenance Dept



**Confidential Information Deleted
Pursuant To Protective Order, Filed on
November 21, 2008.**

HECO-S-15A02
HECO-S-15A03
DOCKET NO. 2008-0083

Exhibits HECO-S-15A02 and HECO-S-15A03 contain confidential information and are
provided subject to the Protective Order filed on November 21, 2008
in this proceeding.

SUPPLEMENTAL TESTIMONY OF
MICHAEL H. MCINERNY

MANAGER
INDUSTRIAL RELATIONS DEPARTMENT
HAWAIIAN ELECTRIC COMPANY, INC.

Subject: Non-Merit Employee Compensation
Employee Electricity Rate Discount

1

INTRODUCTION

2 Q. Please state your name and business address.

3 A. My name is Michael H. McInerny. My business address is 220 South King Street,
4 17th Floor, Honolulu, Hawaii, 96813.

5 Q. By whom are you employed and in what capacity?

6 A. I am the Manager of the Industrial Relations Department for Hawaiian Electric
7 Company, Inc. ("Hawaiian Electric" or "Company"). My educational background
8 and experience are shown in HECO-S-15B00. I am responsible for negotiating
9 the Collective Bargaining Agreement ("Agreement") with the Union for Hawaiian
10 Electric Company, Inc. I am also responsible for contract interpretation and
11 enforcement, grievances, arbitrations, and labor relations issues.

12 Q: Where did you work prior to Hawaiian Electric?

13 A: I worked for the Hawaii Teamsters and Allied Workers Local Union 996 for about
14 ten years as a Business Agent and Executive Board Member. My duties included
15 contract enforcement, negotiator, writing the Union newspaper and organizing.
16 During those ten years, I negotiated close to 100 contracts.

17 Q. What is the purpose of your testimony?

18 A. The purpose of my testimony is to address Section III.(g) in the Interim Decision
19 and Order ("ID&O") issued by the Commission on July 2, 2009, in the instant
20 docket, which states:

21 "Non-Merit Employee Wage Increase: The record is devoid of evidence
22 concerning the degree of labor cost flexibility for non-merit employees.
23 Specifically, the commission is interested in the extent to which non-merit
24 employee labor costs could be lower than those proposed for the 2009 test
25 year due to current economic conditions."

1 My testimony will also address the employee electricity rate discount which the
2 Commission directed Hawaiian Electric to remove in Section II.2.(b) of the
3 ID&O, as it relates to the collective bargaining agreement.
4

5 The Collective Bargaining Agreement (“Agreement”)

6 Q. What union represents the non-merit employees at Hawaiian Electric?

7 A. Local 1260 of the International Brotherhood of Electrical Workers, AFL-CIO
8 (“Union”) represents the non-merit employees at the Company. As of June 30,
9 2009, the Union represented 807 non-merit employees (approximately 50%, of
10 Hawaiian Electric’s employees).

11 Q. Please describe the Agreement.

12 A. The Agreement is between the Company and the Union and became effective
13 November 1, 2003, and remained in effect until October 31, 2007¹. It was
14 extended from November 1, 2007, through October 31, 2010 in a 2007
15 Memorandum of Agreement. An “Amendment to Agreement, Exhibit A” was
16 prepared that amended Exhibit A to the Agreement which sets forth the agreed
17 upon wage increases (see HECO-S-15B01, HECO-S-15B02, and HECO-S-15B03
18 for a copy of the Agreement, Memorandum of Agreement, and Exhibit A of the
19 Amendment). The Memorandum of Agreement also extended the Benefit
20 Agreement between the Company and the Union and interpreted some work rules.
21 In addition, the Memorandum of Agreement stated that the Company and Union
22 will form a Lineman Wage Research Committee. The committee will ascertain
23 standards in the industry and make recommendations with regards to future wage

¹ The Agreement was filed with the Commission on July 19, 2004 (see HECO T-9, Docket No. 04-0113, page 13).

1 increase considerations based on economic and regional factors associated with
2 the Company's business.

3 Q: What does the Agreement say with respect to wages?

4 A: Section 10, "Classification Of Employees And Rates Of Pay", page 8, line 7
5 states, "The classifications set forth in Exhibit A are for the purpose of
6 determining rates of pay." Exhibit A of the Amendment to Agreement (pages 44
7 through 56) identifies the positions and wage rates negotiated with the Union.

8 Q: What are the wage increases that were negotiated and agreed to by the Union?

9 A: Wages were agreed to increase by 3.5%, 4%, and 4.5%, effective 11/1/2007,
10 1/1/2009, and 1/1/2010, respectively.

11 Q: Does the Agreement have provisions to adjust the salary or compensation of
12 Union (non-merit) members during the term of the Agreement?

13 A: No. The Agreement does not have any provisions that address the ability to make
14 adjustments term of the Agreement.

15 Q: Are there provisions in the Agreement that address re-negotiating wage levels
16 given economic conditions or re-opening the contract for any reason?

17 A: No, there are not.

18 Q: Please explain how the wage increases included in Exhibit A of the Amendment
19 were determined.

20 A: During the last contract negotiations in 2007:

- 21 • A 3.5% wage increase per year for the period of the Agreement was
- 22 initially negotiated.
- 23 • Union leaders presented these wage increases to their membership who
- 24 rejected the proposal.
- 25 • The IBEW International Representative was called in by the Union to

1 assist in the subsequent round of negotiations.

- 2 • A settlement of 3.5%, 4% and 4.5% wage increases for the extension
3 period was then negotiated and ratified by Union membership.

4
5 Non-Merit Employees' Wage Rates

6 Q: Does the Company review wage rates offered to non-merit employees, compared
7 to other utilities?

8 A: Yes, it does. The Company reviews the Lineman wage rates that it receives as
9 survey results from "PUEI", which is the acronym for the Public Utility
10 Employers Institute. PUEI is a consortium of Public Utility Companies in the
11 western United States.

12 Q: Why does the Company use the Lineman wage rate as the basis for comparison
13 among the utilities?

14 A: The job responsibilities of the Lineman position are standard and very similar
15 across utilities in different geographic areas and does not have the problem of
16 other positions that may have similar names but differ in job content. As a result
17 an "apples to apples" comparison can be made among the electric utilities'
18 Lineman positions' wage rates. PUEI considers the lineman position as a
19 universal benchmark for purposes of comparing non-merit employees' wage rates.

20 Q: Please describe how the PUEI survey is conducted.

21 A: The purpose of PUEI is to provide the members an opportunity to exchange
22 information concerning labor relations, contract negotiations and related personnel
23 and legislative matters. The annual lineman wage rate survey is one of the
24 methods PUEI uses to gather information among its members.

25 Q: How is the survey compiled?

1 A: Survey participants are asked to provide hourly wage rates for the Lineman
2 position in their companies. The most recent PUEI survey (distributed June 2009)
3 prepared by Arizona Public Service Company is provided as HECO-S-15B04.

4 Q. Who are the survey participants?

5 A. The participants are West Coast Utilities which consist of the following utilities:

6 Arizona Public Service Co.	Portland General Electric Co.
7 Avista Corp	Public Service of New Mexico
8 Dynegy Inc.	Puget Sound Energy
9 Hawaiian Electric Company, Inc.	San Diego Gas & Electric Co.
10 NV Energy – Northern Operations	Southern California Edison
11 (Sierra)	So. California Gas (The Gas
12 NV Energy – Southern Operations	(Company)
13 Pacific Gas & Electric Co.	Tuscon Electric Power Co.
14 PacifiCorp (Pacific Power)	Xcel Energy (formerly PS of
15 PacifiCorp (Rocky Mountain Power)	Colorado)

16 Q: What does the survey data show?

17 A: The PUEI survey reflects that in 1995, Hawaiian Electric was ranked [REDACTED]
18 highest in Lineman wages out of 14 companies that responded. In 2009, Hawaiian
19 Electric was ranked [REDACTED] out of 14 companies that responded.

20

21 Employee Electricity Rate Discount

22 Q: Do non-merit employees receive an electricity rate discount?

23 A. Yes, they do. In Section 25, “Miscellaneous Items”, page 38, item 12, lines 12 –
24 18, the Agreement states that the Company will continue to provide discounts to
25 employees and pensioners on electric light and power. The discount will be equal

1 to one third of the employee's monthly KWH usage up to 275 KWH, is
2 transferable, and is calculated at the prevailing Schedule E tariff rate for the island
3 on which the employee resides.

4 Q: Is this collectively bargained?

5 A: Yes.

6 Q: Does the Agreement allow the Company flexibility to adjust or remove the
7 employee electricity rate discount?

8 A: The Agreement does not contain any provisions regarding adjusting or removing
9 the employee electricity rate discount.

10 Professional Bargaining Unit

11 Q: Ms. Furuta-Okayama in HECO ST-15A referred to the formation of a new
12 professional bargaining unit in the System Operation Department in 1999. Can
13 you elaborate on this?

14 A: In May 1999, the Hawaiian Electric bargaining unit was extended to include six
15 merit positions. The six employees included three Electrical Engineers and three
16 Systems Analysts. My understanding is that one of the main reasons for forming a
17 professional bargaining unit was that they were not being paid for the overtime
18 hours worked. The Unit 15 Agreement became effective on September 1, 1999
19 and was due to expire on August 31, 2003. However, prior to the expiration date
20 of the certification date of the Professional Bargaining Unit, the unit requested that
21 it be decertified. The National Labor Relations Board accepted the decertification
22 of Unit 15, effective June 19, 2003. My understanding of the main reason for the
23 decertification was that the employee who initiated the original organization of
24 Unit 15 had separated from the Company and the other members of the Unit had
25 moved on to other positions within the Company. After the initiating employee

1 left, the remaining employees lost interest in being represented by the Union.

2 Q: What has been your experience been as a negotiator as to why employees
3 organize?

4 A: My experience with organizing follows the fundamentals of why unions were
5 initially created. Employees organize when they do not feel they are treated fairly
6 or their interests are not fairly represented.

7 Q: Ms. Furuta-Okayama's testimony (HECO ST-15A) states that there is a risk of
8 merit employees organizing should merit pay be frozen or reduced. Do you
9 agree?

10 A: Absolutely. For all employees, a negotiated wage increase is better than having
11 no increases or wage reductions. Employee benefits are part of employees'
12 compensation and the maintenance of employee benefits is a concern for both
13 non-merit and merit employees. So if compensation, either as wages or employee
14 benefits, are frozen or reduced, the risk of employees organizing increases.

15 Q: Does this conclude your testimony?

16 A: Yes, it does.

Hawaiian Electric Company, Inc.

MICHAEL McINERNY

EDUCATIONAL BACKGROUND AND EXPERIENCE

Business Address: Hawaiian Electric Company, Inc.
200 S King Street, Suite 1760
Honolulu, HI 96813

Position: Manager
Industrial Relations

Education: Bachelor of Arts, Journalism
California State University Northridge
Northridge, California

Experience: Hawaiian Electric Company, Inc.

2000 - Present
Manager
Industrial Relations

1992 - 2000
Industrial Relations Consultant
Industrial Relations

Hawaii Teamsters and Allied Workers Local Union 996

1981 - 1992
Various Positions (Assistant Editor of the newsletter,
Business Agent, Recording Secretary on the Executive Board)

AGREEMENT

between

HAWAIIAN ELECTRIC COMPANY, INC.

and

LOCAL 1260

OF THE

**INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS
AFL-CIO**

2003 - 2007

Honolulu, Hawaii

Effective Date: November 1, 2003

Terminates: October 31, 2007

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This AGREEMENT by and between HAWAIIAN ELECTRIC COMPANY, INC., a Hawaii corporation, hereinafter called the "Company," and LOCAL UNION 1260 of the International Brotherhood of Electrical Workers, AFL-CIO, hereinafter called the "Union."

During the term of this Agreement, in the event of a sale or transfer of the business of the Company, the terms and conditions of this Agreement shall apply to the purchaser or transferee to the extent required by the rules and doctrine for successor employers of the National Labor Relations Act, as amended.

1 WITNESSETH:
2

3 SECTION 1
4

5 DURATION OF AGREEMENT
6
7

8 This agreement shall become effective November 1, 2003 and shall remain in effect until
9 October 31, 2007. It shall be deemed renewed thereafter from year to year unless either party not
10 less than sixty days nor more than seventy-five days prior to the expiration date gives notice to the
11 other party of its desire to amend or terminate the agreement.
12

13 In the event such notice is given, and only in such event, negotiations for a new agreement shall
14 commence within ten days after the date on which such notice was received by the other party.
15
16

17 SECTION 2
18

19 AGREEMENT MAY NOT BE AMENDED
20 EXCEPT BY WRITTEN DOCUMENT
21
22

23 This agreement may be amended at any time by mutual consent of the parties hereto. However, it
24 is agreed that no provision or term of this agreement may be amended, modified, changed,
25 altered or waived except by a written document executed by the parties hereto.
26
27

28 SECTION 3
29

30 PERSONS COVERED BY THIS AGREEMENT
31
32

33 The terms and provisions of this agreement shall apply to all employees but excluding in every
34 case all residential service representatives, specialists, engineers, designers, chemists and other
35 professional employees. Security officers, confidential employees, administrative employees,
36 executives and supervisors as outlined in Section 2 of the National Labor Relations Act as
37 amended are also excluded; provided, however, the determination as to eligibility to vote in the
38 NLRB election held on October 5, 1951, shall control.
39
40

41 The provisions of Sections 6, 8A, 8B, 10B, 13A, 18, 19, 19A, and 25 (Miscellaneous Items 12 and
42 14) shall not apply to temporary employees.
43
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SECTION 4

RECOGNITION OF UNION AS BARGAINING
AGENCY FOR COVERED EMPLOYEES

The Company hereby recognizes the Union as the sole and exclusive representative of its employees covered hereby for the purpose of collective bargaining with respect to rates of pay, wages, hours of employment and other conditions of employment.

On or after the thirtieth day following the beginning of employment, or the effective date of this agreement, whichever is later, every employee covered by this agreement shall, as a condition of employment, become and remain a member of the Union. Membership as used in this agreement shall mean only the obligation to pay dues and initiation fees uniformly required or, in the event that an employee objects to the payment of union expenditures other than those that are related to collective bargaining, only the obligation to pay that portion of the periodic dues and initiation fees that is related to collective bargaining.

Each new temporary employee shall pay a service fee equivalent to the monthly Union dues beginning thirty-one days after employment.

Nothing herein contained shall require the Company to terminate an employee who has tendered the periodic dues and the initiation fees uniformly required.

All employees in the bargaining units as shown in Exhibit A shall abide by the terms contained in this agreement.

SECTION 5

RIGHTS OF MANAGEMENT

The supervision and control of all operations and the direction of all working forces, including the right to hire, to suspend or discharge for proper cause, or to promote employees or to transfer employees or to relieve employees from duty because of lack of work, or for other legitimate reasons, are vested exclusively in the Company, subject to any specific provisions to the contrary contained in this agreement.

SECTION 6

POSTING NOTICE OF VACANCIES AND
NEW POSITIONS

When a vacancy occurs or a new position is created and such vacancy or new position is not filled by the employee who has worked the greatest length of time in the job which is immediately below the open position as shown on the progression chart, the Company, at its option, may initially post a notice only in the department where the vacancy exists for a period of three working days. If the job is not filled from within the department, the Company will post a notice on all bulletin boards for a period of three working days. Copies of the job posting will be given to the designated Union shop steward in the department where the job opening exists and a copy will be mailed to the Union office on the day before the first official date of the posting.

The posting notice shall describe the job and set forth the qualifications of the position to be filled. Within the time specified in the notice, the employee shall apply for the position in writing to the official of the Company designated in the notice.

After an applicant has been accepted for the position, the employee's name shall be posted on all bulletin boards for one week thereafter and the Union shall be notified.

An employee who has been absent because of illness or other authorized absence during the posting period may apply after the closing date provided the job has not been filled.

An employee who has scheduled days off during the posting period may apply within two days after return from the scheduled days off. Final placement in the job will not be made until the application has been given consideration.

An employee going on vacation or on a leave of absence for less than three months may submit an application for a specific job posting prior to departure. In the event that such job is posted in the employee's absence, the employee's application will be considered in determining the senior qualified employee.

When a job has not been filled, it will be reposted monthly or the opening will be cancelled.

SECTION 7

LAYOFFS

The Company agrees to give not less than four weeks notice to an employee and the Union in advance of a layoff for lack of work and to make available for inspection the names of all employees who are to be laid off. The notice will state the nature of the layoff to each employee. An employee who is subsequently bumped will receive not less than two weeks notice.

1 An employee shall be entitled to replace an employee in a lower classification provided that the
2 employee's qualifications for the job are sufficient and the employee has company seniority over
3 the employee occupying such position. Bumping at the same classification level will only be
4 permitted within a department and only if the employee doing the bumping has classification
5 seniority and department seniority over the employee to be bumped. Such employee shall follow
6 the last person in that classification for promotion purposes.
7

8 In the event that an employee with three or more years of service is bumped to a lower
9 classification, the employee will remain at the existing pay rate until such time as the rate of the
10 new classification equals or surpasses the old rate.
11

12 An employee who has been displaced shall be entitled to return to the position held prior to
13 displacement when it becomes vacant. This right shall supersede the rights spelled out in Section
14 8A, Promotions, and Section 8B, Transfers, of this contract. This right shall continue unless and
15 until the employee has refused the opportunity to return to the original position.
16

17 In the event of a curtailment in any station or department, the Company reserves the right to
18 transfer an employee to another station or department to do such work as may be available and
19 suitable to the employee's skill and experience.
20

21 An employee who has been advanced to a supervisory position out of the bargaining unit shall be
22 entitled to be transferred back into the bargaining unit provided the employee has company
23 seniority over the employee then occupying such position. This will be subject to mutual
24 agreement by the Company and the Union.
25

26 When it is necessary to lay off or to recall an employee from layoff, seniority will govern.
27

28 In cases of curtailment of work, a laid off employee shall retain, for a period not to exceed one
29 year, the company seniority the employee has accumulated in the former position. After the
30 expiration of the one-year period, if the employee should return, it will be in the status of a new
31 employee.
32

33 Should a former employee who has been laid off fail to return within two weeks after being
34 notified, the employee's seniority shall cease. Notice under this provision shall be by personal call
35 or by mailing to last known address.
36

37 During the term of this contract, no employee with five or more years of service shall be laid off
38 because of automation or other technological changes. This provision will not apply to reductions
39 as a result of economic conditions in the community.
40

41 An employee who is laid off due to lack of work will receive severance pay based on a formula of
42 two weeks for an employee with three years of service with an additional week for each additional
43 full year of service, with a maximum payment of eight weeks.
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1 SECTION 8

2 SENIORITY

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6 Seniority is determined by the length of continuous service with the Company. It shall not be lost
7 due to authorized leaves of absence; however, except for military leaves of absence, seniority
8 shall not accrue after an absence of one year.

9
10 Seniority is accrued under four categories: classification, division, department and company.
11 Corporate seniority shall be accrued for benefit purposes only.

12
13 Lists showing the employee's job classification, classification seniority, division seniority,
14 department seniority, company seniority and corporate seniority will be posted on the bulletin
15 boards semi-annually as of June 30 and December 31. A copy of these lists will be delivered to
16 the Union.

17
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19
20 SECTION 8A

21 PROMOTIONS

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23
24
25 It is understood and agreed that where qualifications are sufficient to meet the standards of the
26 open position, preferential consideration shall be given in the following sequence:

- 27
28 1. The Company will promote the qualified applicant who has worked the greatest length of
29 time in the job which is immediately below the open position as shown on the progression
30 charts.
31
32 2. The Company will promote the qualified applicant who has worked the greatest length of
33 time in the division in which the open position exists.
34
35 3. The Company will promote the qualified applicant who has worked the greatest length of
36 time in the department in which the open position exists.
37
38 4. The Company will promote the qualified applicant who has worked the greatest length of
39 time in the Company.
40

41 The lines of progression as shown on progression charts shall determine the above sequence.
42 These charts are not included in this book but will be part of the agreement and will be distributed
43 by the Company.

44
45 For classifications where there has been mutual agreement between the Company and the Union
46 on minimum requirements, these requirements shall be considered the standard.

47
48 The above provisions pertaining to promotion shall not be applicable to the selection of an
49 employee for the position of foreman or design drafting technician. Such selections shall be made
50 solely on the basis of management's judgment.
51

1 The selection of working foreman shall be made solely on the basis of management's judgment
2 giving preferential consideration to promoting the senior qualified employee.
3

4 The Company will give preferred consideration to a bargaining unit employee who is qualified for
5 training for a position outside of the bargaining unit.
6
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8

9 SECTION 8B

10 TRANSFERS
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12
13

14 When an employee transfers from one position to another in the department or to another
15 department or transfers between the Company, Hawaii Electric or Maui Electric, the employee will
16 be required to remain in that position a minimum of six months before being eligible to bid for any
17 position in the Company outside of the division unless the opening will be filled by a new hire.
18

19 If an employee is transferred back to the former department within thirty days, the employee will
20 not lose department seniority in the former department. This provision is not intended to mean
21 that there is a thirty-day trial period in the new position.
22
23
24

25 SECTION 9

26 CONTINUOUS AND UNINTERRUPTED
27 SERVICE
28
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30

31 It is expressly understood and agreed that the business of the Company, which is that of a public
32 utility engaged in the manufacture and distribution of electrical energy, is a business in which the
33 public is vitally interested and that efficient and uninterrupted service must be furnished to the
34 public in the normal course of an employee's duties, and to that end the parties hereto agree that
35 during the term of this agreement there shall be no lockout by the Company, nor any strike, sit-
36 down, concerted refusal to work, stoppage of work, slow-down, retarding of production or
37 picketing of the Company on the part of the Union or its representatives.
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SECTION 10

CLASSIFICATION OF EMPLOYEES AND
RATES OF PAY

The classifications set forth in Exhibit A are for the purpose of determining rates of pay. It is expressly understood and agreed that an employee who is covered hereunder may be obliged to perform any of the Company's work as directed by the Company without reduction in compensation or regard to classification of employment in emergencies or when work in the employee's classification or trade is not available at the worksite.

When such employee performs work outside of the employee's classification pursuant to the direction of the Company, and the performance of such work results in disciplinary action, then the employee may have recourse to the grievance procedure, but only upon the question of whether the work to which the employee was so assigned was beyond the employee's capabilities.

When an employee is transferred to any position in which the employee has limited previous experience, the employee shall be given a reasonable break-in period with an experienced employee in that position, without an increase in pay for such break-in period.

The Union and the Company recognize that there will be changes made from time to time in the Company's operation due to technological or other reasons. The Company agrees not to reduce the wage rate of an employee whose job is changed; and in return, the Union agrees to cooperate with the Company in adjusting such employee to the new position.

A leadingman will be appointed and paid a twenty cent differential when two or more employees in journeyman classifications or higher are working at a location isolated from customary supervision.

When a working foreman or foreman has been instructed by the supervisor to be in charge and has complete control of the work performed by the crew and by another crew under a working foreman or foreman of equal pay, the employee will be paid an additional amount equivalent to the difference between the working foreman and foreman classification rates. The Company will make an effort to put the senior working foreman or foreman in charge, but the supervisor will make the decision as to who has the best knowledge and experience to handle the particular job in question.

When an employee's rate of pay is changed, the employee will receive a written notice of the new rate of pay and effective date.

OVERCLASSIFIED PAY

An employee who is assigned regular work of a higher classification shall receive the prevailing rate of pay for such higher work.

An employee, who works on an overclassified basis for one (1) hour or more, will retain the overclassified rate for each day so assigned.

SECTION 10A
NEW OR CHANGED JOB
AND LINES OF PROGRESSION

When a new job is established or an existing job has changed substantially, the Company will evaluate the job and shall set a pay rate. The Company will give the Union a written notice fifteen days before putting any change into effect except where the Union gives notice requesting an extension in which case the change will not be put into effect for an additional fifteen days.

After the establishment of the wage rate for the job, any dispute concerning the job content, the appropriateness of the pay rate, or the placement of the new or changed job in the line of progression shall be handled pursuant to the grievance procedure and subject to arbitration, provided such grievance is presented to the Company within thirty days after the establishment of the pay rate and the placement within the line of progression.

If the Union should decide to set the matter aside until the next Union contract negotiation, any adjustment made shall be retroactive to the time of the initial change.

During this agreement, the Company will create no new job which will result in a reduction of pay or job status for a present employee except by mutual agreement.

SECTION 10B
WAGE DIFFERENTIAL
FOR INCAPACITATED EMPLOYEES

When an employee becomes unable to perform normal duties because of a disability which was incurred by reasons beyond the employee's control or for which the employee is not receiving Workers' Compensation benefits, and if the Company is able to provide the employee with work which the employee is capable of performing in a lower classification, the employee will be notified in writing and assigned to such work. The Company reserves the right to transfer an employee to a higher job classification commensurate with an employee's wages other than the job originally assigned no more than once in the employee's career, with agreement among the Company, Union and employee.

An employee's adjusted pay rate for the new classification shall be determined by the following procedure:

An employee with less than five years of service at the time of regrading shall receive the established rate of the new job.

An employee with more than five years of service at the time of regrading shall receive, for each full year of service, the established rate of the new job plus an additional five percent of the difference between the job rate of the employee's former classification and the job rate of the new classification. In the administration of this provision if the established rate for the employee's new classification is more than 25% below the former rate, a rate equal

1 to such 25% shall be used as the rate of the new classification for such calculation.
2 Fractions of cents per hour will be increased to the next full cent. In no event shall the new
3 rate exceed the rate of the employee's former classification.
4

5 The employee's pay rate shall be reduced to the adjusted pay rate in steps of twenty-five
6 cents per hour each pay period following the date of regrading until the adjusted pay rate
7 is reached. The first reduction step will be made on the date of regrading.
8

9 No retroactive adjustments will be made under this plan.
10

11 SECTION 11

12 HOURS OF LABOR

13
14
15
16
17
18 The work day shall be twenty-four consecutive hours and eight hours shall constitute a regular
19 day's work.
20

21 The work week shall commence Sunday midnight and end the following Sunday midnight. Forty
22 hours shall constitute a regular week's work.
23

24 Work schedules will be posted in all departments showing the regularly assigned work days and
25 two designated days off. All work performed within such posted schedules will be paid at the
26 straight time rate plus any applicable premium. All work performed outside such posted
27 schedules on designated work days shall be considered as overtime and shall be paid at the rate
28 of one and one-half times the regular straight time rate for the first four hours of such overtime
29 and two times the regular straight time rate for all work in excess of such four hours of overtime
30 until relieved.
31

32 The first eight hours of scheduled work performed on the first designated day off (Saturday for a
33 non-shift employee) shall be paid at one and one-half times the regular straight time rate and all
34 work in excess of eight hours at two times the regular straight time rate.
35

36 An employee shall be paid two times the regular straight time rate for all overtime work between
37 midnight and 6:00 a.m.
38

39 The minimum scheduled overtime for either of the two designated days off shall be four hours.
40

41 When an employee has worked a portion of the scheduled day and is ordered home to rest in
42 order that the employee may perform over-time work at some later time, payment shall be made
43 for the balance of the hours of the scheduled day.
44

45 An employee reporting for work on a regularly scheduled work day will be provided with eight
46 hours work.
47

48 When scheduled overtime is cancelled with less than nineteen hours notice but prior to starting
49 time, the employee will receive two hours pay at the straight time rate.
50
51

1 When an employee is scheduled four hours or more before the normal starting time and continues
2 working through the start of the normal shift, the employee will continue on an overtime basis as
3 long as the employee is working. The employee will not be sent home to rest during the regular
4 scheduled hours unless the employee has worked twelve hours or more. When an employee is
5 scheduled less than four hours before the normal starting time, the employee will receive overtime
6 pay until the start of the normal work day.

7
8 When an employee is scheduled to work overtime on the normal work day, excluding extended
9 overtime, the employee shall be scheduled to work for no less than two hours of overtime.

10
11 The minimum total hours worked within this calendar day will be eight.

12
13
14 **APPLICABLE TO NON-SHIFT EMPLOYEES ONLY**

15
16 If an employee is scheduled to work other than between 6:00 a.m. and 6:00 p.m. from Monday to
17 Friday for less than five days, the employee shall be paid the applicable overtime rate for those
18 hours that fall outside of 6:00 a.m. to 6:00 p.m.

19
20 If an employee is scheduled to work other than between 6:00 a.m. to 6:00 p.m. from Monday to
21 Friday for five days or more, the employee will receive a differential to be added to the base rate
22 as follows:

23
24 For the afternoon shift (between 6:00 p.m. and midnight), 3% of the average of the Power
25 Supply Operations & Maintenance Department's Equipment Operator, Utility Operator, Jr.
26 Control Operator and Control Operator rates.

27
28 For the midnight shift (between midnight and 6:00 a.m.), 3 1/2% of the average of the
29 aforementioned classification rates.

30
31 Scheduled work performed on the second designated day off (Sunday) shall be paid at
32 two times the regular straight time rate.

33
34 It is recognized that at times the Company cannot give advance notice of scheduled overtime on
35 Sundays. However, when it is possible to give advance notice of Sunday overtime, the Company
36 will do so.

37
38 An employee will normally be given three calendar days written notice of change of work
39 schedule. If three days written notice is not given, time and one-half will be paid for the first four
40 hours and double time thereafter for all hours worked outside the previous schedule for each day
41 that such notice is lacking. If the lack of notice is due to an employee's failure to give three days
42 notice of absence, the replacement for this employee will be paid on the same basis as the
43 employee who is being replaced unless, according to other provisions of this contract, the
44 employee is entitled to premium pay.

45
46 If three days written notice is not given for overtime work on an employee's first designated day
47 off, the employee shall receive time and one-half for the first four hours and double time
48 thereafter.

1 **FLEXIBLE WORK HOURS AND WORK WEEK - NON-SHIFT EMPLOYEES**

2
3
4 **WORK SCHEDULE**

5
6 For a flexible work week schedule, the Company shall determine the eligible work locations and
7 work groups based on operational needs. A work schedule which shows regularly assigned
8 work days and designated days off will be posted.

9
10 Monday to Saturday work schedules shall be four (4) consecutive days and ten (10) hours per
11 day within a 24-hour period (as defined under work day).

12
13 Sunday shall always be a designated day off.

14
15 **WORK WEEK**

16
17 During the period between Sunday midnight to the following Sunday midnight, a regular work
18 schedule of 40 hours will be scheduled during the work week.

19
20 **WORK DAY**

21
22 A work day shall be twenty-four consecutive hours.

23
24 During the period between midnight and the following mid-night, a regular work day of ten hours
25 will be scheduled and provided.

26
27 **PAY**

28
29 Pay for work performed within the posted work schedule shall be paid at the straight time rate
30 plus any applicable premium.

31
32 **PREMIUM PAY**

33
34 The employee will normally be given four (4) calendar days written notice of change of work
35 schedule with the exception of a holiday work week. If four (4) days written notice is not given,
36 time and one-half will be paid for the first five hours of the work day and double time thereafter
37 for each day such notice is lacking.

38
39 If lack of notice is due to an employee's failure to give four (4) days notice of absence, the
40 replacement employee will be paid on the same basis as the employee being replaced unless
41 the replacement employee is entitled to premium pay.

42
43 An employee shall be paid two times the regular straight time rate for all overtime work between
44 midnight and 6 a.m.

45
46 If the employee works less than five (5) hours before start time, the employee will continue to
47 work on a straight time basis through the normal scheduled work day. Double time will be paid
48 if the employee worked five (5) hours or more prior to the regular start time and continues
49 working through the regular work day.

1 The employee will not be sent home to rest during the regular scheduled hours unless the
2 employee has worked twelve hours or more.

3
4 Payment shall be made for the balance of the normal work day if the employee is ordered home
5 to rest in order to perform overtime work at a later time.

6
7 Extended overtime will be paid at time and one-half for the first two hours and double time for
8 all hours thereafter.

9
10 Days Off

11
12 Sunday shall always be the third day off and paid double time for all hours worked.

13
14 The first day off actually worked in the work week shall be paid at one and one-half times
15 the straight time rate for the first ten (10) hours and double time thereafter.

16
17 Work on the second day off actually worked in the work week shall be paid at one and
18 one-half times for the first five (5) hours and two times thereafter.

19
20 Scheduled Overtime

21
22 The employee will normally be given three (3) calendar days written notice for scheduled
23 overtime. If three (3) days written notice is not given, time and one-half will be paid for the
24 first four hours and double time thereafter for each day such notice is lacking.

25
26 The minimum scheduled overtime for any of the three designated days off shall be four
27 hours.

28
29 Scheduled overtime after the regular scheduled hours of the work day will be paid at time
30 and one-half for the first two (2) hours and double time for all hours there-after.

31
32 When scheduled overtime is cancelled with less than fifteen hours notice but prior to
33 starting time, the employee will receive two hours pay at the straight time rate. The
34 employee will be directly notified of the cancellation by the supervisor or through the
35 crewleader on a workday.

36
37 When an employee is scheduled to work overtime on the normal work day, excluding
38 extended overtime, the employee shall be scheduled to work for no less than two hours of
39 overtime.

40
41 Callout

42
43 All employees are subject to being called outside of their working day without advance
44 notice. Callout is defined as less than four hours advance notice to report to work.

45
46 Callouts will be paid at time and one-half for the first four hours and double time for all
47 hours thereafter.

48
49 Callouts on an employee's days off shall be paid at one and one-half times for the first four
50 (4) hours and two (2) times thereafter. The same payment shall apply for second day off.
51

1 Callout minimum is two (2) hours and time paid for each callout shall be considered as
2 time worked.

3
4 When an employee is called out, the employee will be paid from the time of callout if that
5 time is less than two hours before the time the employee is required to report.

6
7 After callout, an employee will be allowed up to a maximum of eight hours rest before the
8 employee is required to return to work. Before leaving the job, the employee will arrange
9 with the supervisor the time when the employee is expected to return to work. The
10 employee will be paid for the hours worked at the applicable rates.

11
12 **MEALS**

13
14 The Company shall not schedule employees to work in such a manner in order to avoid the
15 payment of the meal.

16
17 Up to fifteen minutes of extra lunch time may be granted provided the time is made up without
18 incurring additional premium time payments.

19
20 The time for the mid-work day meal can be advanced or postponed by one-half hour without
21 penalty.

22
23 In the event a meal period is advanced or postponed more than one-half hour, work done
24 during the period of change shall be paid at an additional one-half times up to the normally
25 scheduled quitting time. If the employee is required to continue working beyond the scheduled
26 quitting time, the employee "will break at that time" for a one-half hour meal. The employee will
27 be entitled to a meal and the time to eat the meal at the applicable overtime rate. The
28 employee will be eligible for a meal every five (5) hours from the scheduled quitting time.

29
30 When an employee is entitled to a meal, the employee shall be paid \$12.00. Effective 11/1/06,
31 when an employee is entitled to a meal, the employee shall be paid \$13.00. The Company
32 agrees to reimburse employees who submit meal payment receipts not to exceed the above
33 meal allowance schedule.

34
35 Meal Allowance

36
37 Employees shall receive a meal if any of the following conditions are met:

38
39 a) Overtime worked at the conclusion of a scheduled workday.

40
41 Employee entitled to a meal after one hour of extended overtime and an additional
42 meal at the end of each five (5) hours thereafter.

43
44 b) Employee required to return to work one hour or less after scheduled quitting time.

45
46 Employee entitled to a meal at one hour from scheduled quitting time and an
47 additional meal at the end of each five (5) hours thereafter.

- 1 c) Callout employee reports to work one and one-half hours or more before the
2 scheduled start time and continues into the regular work day.

3
4 Employee eligible for a meal and meal eaten on Company time. The employee will
5 be eligible for a normal midshift meal if the employee did not have the opportunity
6 to bring a meal.

- 7
8 d) Callout overtime after the quitting time of a scheduled workday.

9
10 Employee entitled to a meal after two and one-half hours of continuous work and
11 an additional meal every five (5) hours thereafter.

- 12
13 e) Callout on a designated day off.

14
15 Employee entitled to a meal after two and one-half hours of continuous work and
16 an additional meal every five (5) hours thereafter.

- 17
18 f) Employee is scheduled overtime work five hours or more before scheduled start
19 time and continues into the regular work day OR employee is scheduled overtime
20 work after scheduled quitting time (other than extended over-time).

21
22 Employee will provide the meal during the employee's first five hours of continuous
23 overtime work and will be given the opportunity to eat the meal anytime after two
24 and one-half hours of such overtime work. The employee will be eligible for a meal
25 every five (5) hours from the end of the first five hours of continuous overtime
26 work. The employee will be eligible for a meal on five (5) hour intervals during the
27 regular scheduled work day provided the employee has worked five continuous or
28 more hours prior to start time and continues into the regular work day. If the
29 employee is scheduled overtime work one and one-half hours, but less than five
30 hours before start time, the meal provided by the employee will be eaten on
31 Company time. When the employee continues into the regular work day, the
32 employee will be eligible for a normal midshift meal.

33
34 Meal Time

- 35
36 1) Employees will receive mealtime payment of one-half hour pay at the applicable
37 overtime rate whenever they are entitled to meals during overtime or callouts.
38
39 2) If the employee works only one (1) hour past the scheduled quitting time, the
40 employee will not be entitled to mealtime.
41
42 3) If the employee works less than one and one-half hours before start time and
43 continues through the scheduled workday, the employee will not be entitled to
44 meal time.
45
46 4) The employee forfeits the right to be paid the 1/2 hour for eating the meal if the
47 employee refuses the offer of a meal or the offer of being excused from the job site
48 to eat a meal.
49
50 5) If the employee is eligible for meals during the regular scheduled work day, the first
51 meal will be eaten on the employee's own time.

1 **HOLIDAYS**

2
3 All Company holidays shall be observed under Section 12, Holidays.

4
5 If a holiday falls in a week where the employee is scheduled to work a 4/10 schedule, the
6 employee's work schedule will revert to a normal 5/8 work schedule only for the week in which
7 the holiday falls. Should the Company elect to have the employee continue on the 4/10
8 schedule, the following conditions will apply:

- 9
10 a) The Company shall provide a 4-day written notice of the continuation of the 4/10
11 schedule.
12
13 b) When a holiday falls on an employee's designated day off, the holiday will be
14 observed on the scheduled work day nearest to the date of the holiday.
15
16 c) When a holiday falls in the middle of an employee's day off (the 2nd day of a three
17 (3) day off), the following work day shall be observed as a holiday.
18
19 d) All employees whose work schedules permit will be entitled to have the day off and
20 shall receive their straight time pay for ten (10) hours.
21
22 e) In case the Company requires an employee to work on a designated holiday, the
23 employee will receive ten (10) hours holiday pay and, in addition, the work
24 performed by such employee shall be paid for at one and one-half times the
25 straight time rate for the first ten (10) hours, and all overtime in excess of ten (10)
26 hours shall be paid two (2) times the straight time rate.
27

28 All other provisions of Section 12, Holidays, shall apply.
29

30 **VACATION AND SICK LEAVE**

31
32 All vacations and sick leave hours will be taken as equivalent ten (10) work hours for each day
33 of the flexible work schedule.
34

35 All other provisions of Section 13 and 14 shall apply.
36

37 **DEATH IN FAMILY**

38
39 Employees will be allowed the number of hours off outlined in Section 19.
40

41 **RESPONDING TO EMERGENCY WORK**

42
43 The Company will respond to work in a manner that best provides efficient and uninterrupted
44 service to the public. In order to do this as fairly and objectively as possible, the Foreman or
45 Working Foreman responding to the emergency shall be instructed to do so by a supervisor.
46

47 **5/8 FLEXIBLE WORK HOURS AND WORK WEEK**

48
49 For all areas of the Company, the flexible 5-day/8-hour work schedule may be implemented by
50 the Company on a voluntary basis.
51

1 **WORK BASE**

2
3 All provisions of Section 11C shall apply.
4

5 **NEIGHBOR ISLAND WORK ASSIGNMENTS**

6
7 All provisions of Section 11D shall apply.
8
9

10 **APPLICABLE TO SHIFT EMPLOYEES ONLY**

11
12 Scheduled work performed on the second designated day off shall be paid at two times the
13 straight time rate except that the first eight hours shall be paid at time and one-half instead of
14 double time when replacing an employee who has failed to give six days notice of absence.
15

16 The two designated days off shall be consecutive unless interrupted by regular shift rotation
17 changes or regular relief schedules.
18

19 The employee will not work more than the consecutive number of days called for in the master
20 schedule without payment of overtime. Under no circumstance shall an employee work more than
21 seven consecutive days without payment of overtime on the eighth and ninth consecutive days.
22

23 *The Company will notify the Union in advance of any change of master schedules and give*
24 *consideration to any problems which the Union feels might arise from it. When a two-thirds*
25 *majority of the Operating employees involved at a work base want to change a schedule, subject*
26 *to mutual agreement by the Company and the Union, the Company will do so provided there is no*
27 *additional cost over and above the cost of the schedule in effect as of the effective date of this*
28 *agreement.*
29

30 If an employee is scheduled for less than five consecutive days on a shift for reasons other than
31 the employee's vacation or holiday, regular shift rotation changes, regular relief schedules, or
32 replacing an employee on sick leave, the employee shall be paid the overtime rate for all hours
33 worked in that work week.
34

35 The Company shall schedule at least twelve hours of time off between an employee's regular
36 work shift. An employee, who is required to work a schedule which does not allow twelve hours
37 between shifts, shall be paid at the applicable overtime rate for all hours worked during the twelve-
38 hour period.
39

40 The employee will normally be given six calendar days written notice of change of work schedule.

41 If six days written notice is not given, time and one-half will be paid for the first four hours and
42 double time thereafter for all hours worked outside the previous schedule for each day that such
43 notice is lacking.
44

45 However, when the schedule is changed for an employee previously scheduled to work in order to
46 replace an employee who has failed to give six days notice of absence, the employee will be paid
47 on the same basis as the employee being replaced, except that if the employee does not receive
48 at least six hours notice of the change prior to the start of the existing schedule and at least twelve
49 hours notice of the change before the start of the new schedule, the employee will be paid time
50 and one-half for the first shift of the new schedule.
51

1 When an employee's schedule is changed to replace an employee who has failed to give six days
2 notice of absence, the employee will be paid time and one-half for the days of the new schedule
3 which had been previously designated as days off.
4

5 An employee, whose shift schedule is changed to meet operating conditions, will be returned to
6 the original schedule as soon as practicable. A shift operator returning from vacation will return to
7 the normal shift (where the shift operator would have been had the employee not gone on
8 vacation).
9

10
11
12 SECTION 11A
13

14 CALLOUT
15
16

17 All employees are subject to being called outside of their working day without advance notice.
18 When an employee has less than four hours advance notice to report to work, it will be considered
19 a callout. Except on an employee's second scheduled day off, an employee shall be paid one and
20 one-half times the regular straight time rate for the first four hours of such overtime and two times
21 the regular straight time rate for all work in excess of such four hours of overtime. Callouts on the
22 employee's second scheduled day off will be paid at two times the regular straight time rate.
23 Double time will not be paid to the replacement of a shift operator who has failed to give notice of
24 absence. However, the hours worked on callouts between 12:00 midnight and 6:00 a.m. will be
25 paid at two times the regular straight time rate. A callout minimum shall not be less than two
26 hours and shall apply to each individual callout and time paid shall be considered as time worked.
27

28 An employee who is on Company premises at the time of the call or who has been called by car
29 radio on the way to or from work or who has been assigned work the previous day will be paid for
30 time worked.
31

32 When an employee is called out four hours or more before the normal starting time and continues
33 working through the start of the normal shift, the employee will continue to be paid on an overtime
34 basis as long as the employee is working. The employee will not be sent home to rest during the
35 regular scheduled hours unless the employee worked twelve hours or more. When an employee
36 is called out less than four hours before the normal starting time, the employee will receive
37 overtime pay until the start of the normal work day.
38

39 The minimum total hours worked within this calendar day will be eight.
40

41 When an employee is called out, the employee will be paid from the time of callout if that time is
42 less than two hours before the time the employee is required to report.
43

44 After callout, an employee will be allowed up to a maximum of eight hours rest before the
45 employee is required to return to work. Before leaving the job, the employee will arrange with the
46 supervisor the time when the employee is expected to return to work. The employee will be paid
47 for the hours worked at the applicable rates.
48
49
50
51

SECTION 11B

MEALS

A shift Operating employee shall eat the midshift meal on Company time at the employee's normal work location.

Meal periods for a non-shift employee shall not be paid except during overtime periods.

When an employee is required to work one and one-half hours beyond the normal quitting time, the employee will be entitled to a meal. The employee will be entitled to an additional meal at the end of each five hours thereafter.

When an employee is required to return to work one and one-half hours or less after the normal quitting time, the employee will be entitled to a meal and an allowance for the time to eat the meal.

When an employee is required to work one and one-half hours or more before the scheduled starting time and continues into the regular shift, the employee will be eligible for a meal. If the employee does not have the opportunity to bring a normal midshift meal, it will be furnished by the Company.

The Company will not schedule an employee to start work before the normal starting time and to work after the normal quitting time in order to avoid the payment of a meal.

On callouts at night, after more than two and one-half hours continuous work, the employee will be entitled to a meal and additional meals every five hours thereafter, provided that the employee will not be eligible for a meal prior to 10:00 p.m. (The 10:00 p.m. provision is not applicable to a shift employee in the Power Supply Operations & Maintenance Department.)

On scheduled overtime at night, after more than two and one-half hours continuous work, the employee will be entitled to a meal and additional meals every five hours thereafter, provided the employee is scheduled to work either before or after the employee's normal work day. The employee is not eligible for a meal when the employee has been scheduled to work at night on the employee's first or second day off.

When an employee is called out for work on an employee's first or second day off and is not given notice of a meal period or has not had an opportunity to bring a meal, the employee will be eligible for the normal meal that would be scheduled during the employee's normal period of work.

The crew leader may grant up to fifteen minutes extra lunch time for the purpose of allowing an employee to visit a store or restaurant in the neighborhood to obtain food or soft drinks provided the time is made up by working the time lost before leaving the job.

The lunch period may be advanced or postponed by one-half hour from the normal midday or midshift meal time without penalty. When an employee's lunch period is advanced or postponed more than one-half hour, work done during the amount of time it is changed will be paid at an additional one-half times the employee's straight time rate.

1 When an employee is entitled to a meal, the employee shall be paid \$12.00. Effective 11/1/06,
2 when an employee is entitled to a meal, the employee shall be paid \$13.00. The Company
3 agrees to reimburse employees who submit meal payment receipts not to exceed the above meal
4 allowance schedule.

5
6 When a non-shift employee is entitled to a meal, the non-shift employee shall receive one-half
7 hour pay at the applicable overtime rate when the meal time was paid, if the Company has either
8 not furnished the meal at the job site and provided the time to eat the meal or permitted the
9 employee to leave the job site and eat the meal on Company time. The non-shift employee will
10 forfeit the right to be paid the one-half hour for eating the meal, if the employee refuses the offer
11 of the meal or the offer of being excused from the job site to eat it. This provision shall apply
12 except where the employee has worked one and one-half hours beyond the normal quitting time
13 and is not required to return to work.

14
15 In this event, the employee will receive the meal allowance but not an allowance for the time to eat
16 the meal.

17
18 When a shift employee is entitled to an overtime meal, the employee shall receive the meal
19 allowance and eat the meal on Company time at the employee's normal work location.

20
21
22
23 SECTION 11C

24
25 WORK BASE

26
27
28 Each employee shall be assigned to a permanently established work base. Work base
29 assignments will be made for periods of not less than six months duration.

30
31 The following are the designated work bases:

32
33 Honolulu
34 Waiau
35 Kahe
36 Koolau
37 Traveling Crew (Power Supply Operations & Maintenance)
38 Traveling Crew (Construction & Maintenance)
39

40 Traveling Crew employees will be paid a premium of \$1.00 an hour for each hour worked or \$8.00
41 per day, whichever is greater, and travel on their own time.

42
43 In the event a traveling crew employee reports to work and is required to report to another work
44 base or location, the employee will, at the Company's option, be furnished either transportation to
45 and from the new work base or location or allowed to drive his personal car and paid round trip
46 mileage. If the employee refuses Company transportation, he will not be paid mileage for use of
47 his personal car.

48
49 When other non-traveling crew employees of the Construction & Maintenance, Support Services
50 (Stores) Departments and the Maintenance and Support Services for the Power Supply process
51 areas are temporarily assigned to the Traveling Crew or another designated work base, three-

1 days notice of such assignment will be posted. After the three-days posted notice is given, the
2 employee will be paid a premium of \$1.00 for each hour worked or \$8.00 per day, whichever is
3 greater. If the three-day posted notice is not given, the affected employee will be paid an
4 additional one-half times the straight time rate for all hours worked for each day that such notice is
5 lacking. It is not to be considered a temporary work base assignment when an employee travels
6 on Company time.

7
8 When any other employee is required to perform work elsewhere than at the established work
9 base, the employee shall be furnished transportation from the established work base to the job,
10 and time spent in traveling to and from the established work base and the job will be counted as
11 time worked.

12
13 When it is necessary to change an employee's permanently assigned work base, the job will be
14 posted. For a position not filled through the posting procedure and not filled by mutual agreement
15 with the Union, the Company may hire from the outside or may fill the job with an employee with
16 the least job seniority at the base which is best able to release the employee. Employees shall be
17 selected so as to cause a minimum of inconvenience to them.

18
19 Travel time shall not be paid to an employee who applies for a job posting and is selected to a
20 position other than at the established work base. Such employee's new work base will be at the
21 base where the job opening existed.

22
23 When an employee is required to change the assigned work base, travel time will be paid for
24 three months if the new work base is over one mile farther from the employee's home than the old
25 work base. Transportation will be furnished between work bases for a period of one year after the
26 change of work base.

27
28 Travel time shall be computed as time traveled to and from the employee's established work base
29 and the new work base. Travel time allowed between the following bases is one-half hour:

30
31 Honolulu to Waiau
32 Honolulu to Koolau
33 Waiau to Kahe
34 Waiau to Koolau
35

36 When an apprentice's work base is changed in order to complete assigned work processes
37 offered only at another base as determined by the Company, the Company shall provide
38 transportation to and from the original work base, provided the new work base is over one mile
39 farther from the employee's home than the old work base. Such transportation will be on the
40 apprentice's own time, so that the regularly scheduled work day may be completed at the new
41 work base. The above will also apply when an employee requests training for potential promotion.

42
43 Seven days notice will be given when permanently assigned work bases are to be changed. If
44 seven days notice is not given, the employee will be paid one and one-half times the straight time
45 rate for the first two hours of work on each day that such notice is lacking, in addition to the travel
46 time.

47
48 An employee who is transferred to a work base distant from the employee's residence and who
49 subsequently moves into the area of the new work base will be paid up to two hundred dollars to
50 cover the cost of moving household furnishings.

51

SECTION 11D

NEIGHBOR ISLAND WORK ASSIGNMENTS

The following conditions will apply when it is necessary to temporarily assign an employee to another island for work:

- (a) Selection of the employee shall be voluntary and rotated.
- (b) Transportation shall be first class and accommodation shall be standard (two in a room).
- (c) Vehicle - The Company will provide an automobile for the use of the employee.
- (d) An employee in an Operating Department of the Company will normally be scheduled ten hours, Monday through Friday. An employee in a non-Operating Department will be scheduled for not less than the number of hours the employees in the department on the neighbor island are working.

- (e) The per diem allowance shall be as follows:

11/1/2003	\$29.00
11/1/2006	\$30.00

An employee receiving this allowance will not be eligible for a meal allowance unless the employee has worked more than ten hours. The per diem allowance includes a telephone allowance.

- (f) An employee who receives a meal allowance shall do so in accordance with the contract for meals.
- (g) If the temporary assignment on another island continues over an extended period and the employee wishes to return home periodically, the Company will permit the employee to do so under the following conditions:
 - (1) Non-interference with Operations - Such trip shall not interfere with neighbor island operations. The employee shall complete the scheduled work on the day the employee returns home, and the employee shall report to work at the regular starting time on the next scheduled working day.
 - (2) Travel Expense - The Company will furnish the employee with a round trip plane ticket to return home every two weeks, provided the work assignment will continue for three working days or more following the trip. All traveling shall be done on the employee's time and all other traveling expenses shall be borne by the employee. Additional trips home may be made at the employee's own expense, provided they are made on the employee's own time and the employee reports back to the assignment at the beginning of the scheduled shift.

1 (3) Per Diem - When the trip is made at the employee's expense, the Company will
2 pay the per diem allowance without interruption. When the Company furnishes the
3 plane ticket, the employee shall not be entitled to the per diem allowance for the
4 days that the employee is off the island when temporarily assigned.

5
6 (h) When an employee is assigned to a neighbor island with less than three calendar days
7 notice, an additional half time will be paid for all hours worked for the number of days the
8 notice is lacking.

9
10 The above will not apply where an employee leaves for a neighbor island and returns on
11 the same day.

12
13
14
15 SECTION 12

16
17 HOLIDAYS

18
19
20 The Company will observe the following holidays:

21		
22	Presidents' Day	Veterans' Day
23	Good Friday	General Election Day
24	Memorial Day	Thanksgiving Day
25	Kamehameha Day	Christmas Day
26	Independence Day	New Year's Day
27	Admission Day	*1/2 day Christmas Eve
28	Labor Day	*1/2 day New Year's Eve
29	Discoverers' Day	
30		

31 *Observed the last scheduled working days before Christmas and New Year's Eves.

32
33 When a holiday falls on an employee's first designated day off in the workweek, the preceding
34 scheduled workday shall be observed as the holiday.

35
36 When a holiday falls on an employee's second designated day off in the work week, the following
37 scheduled work day shall be observed as the holiday.

38
39 All employees whose work schedules permit will be entitled to have the day off and shall receive
40 their regular straight time pay for eight hours.

41
42 In case the Company requires an employee to work on a designated holiday, the employee will
43 receive eight hours holiday pay and, in addition, the work performed by such employee shall be
44 paid for at one and one-half times the regular straight time rate for the first eight hours, and all
45 overtime in excess of eight hours shall be paid at two times the regular straight time rate. In the
46 case of a shift operator, the day shall be considered a holiday if fifty percent or more of the
47 employee's time is worked on that day.

48
49 An employee, who has been notified at least twenty-four hours in advance to work on a holiday
50 and who does not work without a valid excuse, shall receive no holiday pay for that day. Advance
51 notice may be less than twenty-four hours in case of an emergency.

1 An employee, who has an unexcused absence on a scheduled work day immediately preceding
2 or immediately following a holiday, will receive no holiday pay for such holiday unless the
3 employee has notified the supervisor in writing, prior to the holiday, that the employee will be
4 absent.

8 SECTION 13

10 VACATION WITH PAY

13 All employees shall be entitled to vacation with pay in accordance with the following schedule:

<u>Years of Service</u>	<u>Benefit Schedule</u>
17 More than 1 year - less than	80 hours vacation
18 5 years	
19 5 years - less than 15 years	120 hours vacation
20 15 years - less than 25 years	160 hours vacation
21 25 years and over	200 hours vacation

23 Vacation hours shall be awarded on an accrual basis after the employee's first anniversary. At the
24 employee's first anniversary date, 80 hours of vacation will be posted on employees' paycheck
25 stubs. Following the first year of employment, vacation will be posted on employees' paycheck
26 stubs as it is earned. This means that on the first anniversary date, employees' will receive 80
27 hours of earned vacation and thereafter, will be awarded an incremental portion of their vacation
28 as it is earned during the year. The accrual percentage will change on an employee's 5th, 15th,
29 and 25th anniversary dates, based on how vacation is earned in accordance with the above
30 schedule.

32 The vacation pay shall be computed on the employee's current straight time hourly rate. An
33 employee working out of the regular classification when the vacation starts will receive the pay
34 rate of the higher rated job during the vacation provided the employee has been working at the
35 higher rate in the five work days immediately preceding the starting date of the vacation.

37 When a holiday falls within the vacation period it shall not be counted as part of the vacation but
38 shall be postponed to the first scheduled working day following the vacation. The employee will
39 not be required to work on this holiday except in emergencies.

41 The Company shall have the sole and exclusive right to determine the period during which any
42 employee shall take vacation, but the expressed preference of the employee will be given due
43 consideration. The existing Company policy permits one-day vacations under certain
44 circumstances. Vacations shall not be cumulative; however the Company will allow deferrals up
45 to 120 hours.

47 An employee shall not be required to start vacation while the employee is suffering a bona fide
48 illness or injury.

1 An employee who is called to return to work after the start of vacation will be paid at the rate of
2 time and one-half for all hours worked on the days that would have been vacation. The balance of
3 the vacation will be scheduled at a later date. In addition, the Company agrees to pay
4 transportation costs should the employee be on one of the other islands when called to return to
5 work while on vacation.

6
7 An employee who has not received an annual vacation for which the employee is eligible by
8 December 31 of any calendar year will be entitled to pay equivalent to the vacation allowance.

9
10 An employee terminating employment with the Company will be granted the prorated share of
11 earned vacation allowance based on the number of full calendar weeks elapsed between the
12 employee's employment anniversary date and the date of termination of service.

13
14 Providing an employee makes a request for additional vacation time for the express purpose of
15 making an extended trip, the Company will advance up to a maximum of two additional weeks of
16 the succeeding year's vacation allowance, provided the advance vacation is taken at the same
17 time as the regular vacation. If the employee has five years or less of Company service, this
18 advance allowance must have been earned as of the date the vacation is to be taken. If the
19 employee has more than five years of service, this advance allowance need not have been
20 earned.

21
22 If an employee is away from work for two or more days because of personal emergencies and if
23 the employee's current year's vacation has been used, the employee may request an advance of
24 the next year's vacation up to five working days. Examples of reasons that will be accepted are
25 the need to take care of young children because of the illness of the employee's spouse or the
26 immediate need to repair the employee's home because of storm damage. Routine repairs or
27 painting of a home will not be considered as a valid reason.

28 29 30 31 SECTION 13A

32 33 BONUS VACATION

34
35
36 An employee will be eligible for a bonus vacation in addition to any vacation allowance the
37 employee is entitled to as set forth in Section 13. The bonus vacation, as herein provided,
38 accrues on the first day of each calendar year in which the employee qualifies for a bonus
39 vacation and must be taken in that calendar year. The employee acquires no right to all or any
40 part of the bonus vacation unless the employee works in the calendar year in which it accrues.

41
42 The bonus vacation allowance will be determined as follows:

43
44 In each calendar year following the first year of employment, an employee who has used
45 40 hours or less of paid or unpaid sickness benefits in the preceding year shall be entitled
46 to 8 hours of bonus vacation. The employee must complete one year of service before
47 becoming qualified for such day.

48
49 The provisions of this section shall not apply to a temporary or part-time employee.
50
51

SECTION 14
SICKNESS BENEFITS

ARTICLE 1

An employee shall be qualified to receive payments under these regulations because of physical inability to work by reason of sickness or accident outside of working hours not covered by the Workers' Compensation Law and not caused by the employee's willful intention to injure self or by intoxication or by the use of narcotic, hallucinogenic or illegal drugs or substances.

ARTICLE 2
BENEFIT SCHEDULE

<u>Years of Service with Company</u>	<u>Maximum Sick Benefit Schedule</u>
Over 6 months - less than 1 year	40 hours full pay in 7th - 12th month period
1 year - less than 3 years	80 hours full pay in calendar year
3 years - less than 7 years	160 hours full pay in calendar year
7 years - less than 10 years	320 hours full pay in calendar year
10 years and over	480 hours full pay in calendar year

To determine the benefits, full pay shall be based on a work week of forty hours and shall be computed at the employee's regular hourly rate of pay.

If an employee becomes ill while working out of the employee's regular classification, the employee will receive the pay rate of the higher rated job for sickness benefit payments provided the employee has been working at the higher rate in the fifteen consecutive work days immediately preceding the start of the illness.

ARTICLE 3

The Employee's Request Section of the Company form must be completed in all cases of illness or injury not covered by the Workers' Compensation Law for each pay period, regardless of whether the employee is receiving sickness benefit payments.

The Company will require the signature of a medical doctor (M.D.) or doctor of osteopath (D.O.) for absences due to sickness or injury of three or more days. An employee with four or more illnesses in the previous twelve-month period will be required to bring an M.D. or D.O. certificate on all illnesses including those of one or two-day duration. Where the Company Nurse recommends it, either because the illness was chronic or because of the Nurse's personal knowledge of the illness, this requirement may be waived. However, if a Company representative calling on the employee does not find the employee at home, the employee will not be paid, unless an M.D. or D.O. certificate is submitted covering the day or days the employee was not at home.

In cases where the employee is hospitalized or in cases where the Company Nurse recommends it, the Physician's Statement will only be required to be completed on the first pay period and the pay period during which the employee returns to work.

When an employee has reported for work and, in the opinion of the supervisor, is too ill to work or the employee's presence is detrimental to the health of other employees, the employee may be ordered home for the whole day without loss of compensation.

ARTICLE 4

An employee shall not be entitled to sickness benefits for time for which wages have been paid by the Company.

ARTICLE 5

An employee absent from work because of illness or injury shall notify the supervisor or the clerical office where the employee's time card is processed, preferably before starting time but not later than one hour after starting time on the first day of absence. Failure to notify either of the above will forfeit benefit payments unless the delay is proved unavoidable.

For Construction & Maintenance department employees only: An employee absent from work because of illness or injury shall notify the office, where the employee's timecard is processed, one hour before starting time on the first day of absence. Failure to notify the Company will forfeit benefit payments unless the delay is proved unavoidable. The absent employee must notify the Company, preferably, by the close of the prior business day (but no later than one hour before starting time) before returning to work from an illness or injury.

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4 ARTICLE 6

5 The Company may, at its own discretion, require an examination by its own physician before
6 benefits will be paid.
7

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10 ARTICLE 7

11 An employee who falsifies illness reports or abuses the privileges of the plan will be rejected for
12 the sickness benefit payment and will forfeit the allowance for the following twelve-month period.
13

14
15
16 ARTICLE 8

17
18 When an employee is ill or is injured on days which have been scheduled as vacation, the
19 employee may qualify for sickness benefits in accordance with the schedule for those days
20 provided the employee has:
21

- 22 (a) Notified the supervisor or the clerical office before noon of the first day of illness or injury,
23
24 (b) Been attended by a doctor (M.D. or D.O.), and
25
26 (c) Completed the first two sections of the Company form (Certification of Sickness or Injury).
27

28 The days for which vacation benefits have been paid will be considered as sickness or injury days
29 to be taken as vacation days later in that calendar year.
30

31
32
33 ARTICLE 9

34
35 In the case of a serious illness when the lost time exceeds five working days and the current
36 year's benefits have been used up, unused sickness benefits from the two previous years will be
37 carried forward for use, if necessary, in covering such serious illness.
38

39
40
41 ARTICLE 10

42
43 An employee on extended illness who does not have benefits available under the Sickness
44 Benefit Plan will receive the benefits provided under the State Temporary Disability Insurance Act.
45 Temporary disability payments will be made after a period of seven days without compensation.
46 When coverage under the Sickness Benefit Plan and the Temporary Disability Insurance Act is
47 combined, such coverage shall not exceed twenty-six weeks.
48
49
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ARTICLE 11

When an employee, because of pregnancy or the termination of pregnancy, is considered by her doctor to be unable to perform any duties of her employment, she shall be eligible for sickness benefits as provided in Section 14 of this agreement.

On the date the employee becomes able to perform the duties of her employment as determined by her doctor, she shall return to her old job.

SECTION 15

WORKERS' COMPENSATION

The basis of compensation for an employee during the period of temporary total disability from an injury arising from employment will be as follows:

An employee with less than one year of service will be compensated in accordance with the provisions of the Workers' Compensation Law.

An employee with one year or more of service receiving Workers' Compensation benefits will receive a proportional amount of wages where the sum of both equals the net income earned after taxes for a period of up to one hundred four (104) weeks. Subsequent to this, the employee will be paid in accordance with the provisions of the Workers' Compensation Law. The employee will receive this pay during the period of a disability as determined by the Workers' Compensation Division, including the first two days thereof except in cases involving injury arising from psychological or psychiatric disability. In this latter case, that is, injuries arising from psychological or psychiatric disability, employees with one or more years of service will receive the equivalent of their net take home pay for the first fifty-two (52) weeks of disability and will be compensated thereafter only to the extent of and in accordance with the provisions of the Workers' Compensation Law.

Where the injury was caused by willful negligence, violations of the Accident Prevention Manual, Federal or State law or any rules and regulations of the Company, the employee will be paid compensation in accordance with the provisions of the Workers' Compensation Law.

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SECTION 16

SAFETY RULES

Safety rules are a part of this agreement and are covered in the Accident Prevention Manual distributed by the Company. These rules may be changed by the Company from time to time to meet new conditions as they may arise to provide safer working conditions for employees.

When the Manual specifically addresses a subject and there is no question regarding the application or interpretation of the Manual, the procedures outlined in the Manual will govern.

If a subject is not covered in the Manual, the supervisor shall have the responsibility of determining whether it is safe to do the work and, if requested, explain how the work can be done safely.

If a difference arises in the application or interpretation of the Manual, the decision of the supervisor in charge of the job shall be followed. Subsequent appeal may be made through established channels (Section 104 of the Manual).

It is not the intention of the Company to hold the Union liable for such acts of individual employees in violation of the safety rules provisions of the contract where such acts are not sponsored, authorized, or ratified by the Union or its representatives.

A Joint Safety Committee composed of three management and three Union representatives will be established and will operate during the term of this contract and shall meet at least once every three months.

The Union shall promote among its members the realization of the responsibility of the individual with regard to the prevention of accidents.

Regular work group safety meetings will be held monthly for employees in Meter Reading and Field Services and for other affected employees, excluding Operating personnel.

SECTION 17

EMPLOYEE STATUS

An employee shall be designated as temporary, probationary, or regular depending on the length of employment and on the character of the work for which the employee has been employed.

A temporary employee is one hired for the duration of a specified job or for a limited period of time.

Temporary work of this nature shall be limited to a period of time not to exceed three months. Under exceptional circumstances, an extension of temporary employment may be made for an additional period not to exceed three months.

1 If while employed as a temporary employee in a given classification, such employee is transferred
2 to a probationary basis in such classification, the Company shall, in computing the length of the
3 probationary period, include the time spent in such classification on a temporary basis.

4
5 The Company retains the right to expand its temporary forces at any time. The Union will be
6 notified of the additions in advance when it is practical to do so.

7
8 A probationary employee is one who has been hired for a trial period not to exceed six months, for
9 a position that has been regularly established and is of indeterminate duration.

10
11 A temporary or probationary employee may be subject to discharge at the discretion of the
12 Company as long as the discharge is not discriminatory and is not for the purpose of keeping a
13 job filled with a probationary employee.

14
15 Upon completion of six months of continuous service, a probationary employee who has
16 demonstrated the qualifications for the work and has satisfactorily passed the Company's full
17 physical examination for a regular employee shall be given the status of a regular employee.

18
19 In case of absence for any cause for more than a cumulative total of thirty days, the employee's
20 qualifying date for transfer to the status of a regular employee may be deferred a length of time
21 equivalent to the length of absence.

22
23
24
25 SECTION 18

26
27 LEAVE OF ABSENCE
28 FOR UNION OFFICIALS

29
30
31 Any employee now serving as an officer of the Union or hereafter elected to office in the Union
32 which requires all or part of the employee's time shall retain the seniority rating and shall be
33 entitled to a leave of absence without pay.

SECTION 19
DEATH IN FAMILY

When a death occurs to a member of an employee's family, the employee will be given time off without loss of compensation as listed below:

1. Husband or wife of the employee 40 hours
2. Child of the employee 40 hours
3. Father or mother of the employee 24 hours
4. Father-in-law or mother-in-law of the employee 24 hours
5. Sister or brother of the employee 16 hours
6. Grandparents of the employee 16 hours

The time off shall be given when the death occurs in the State of Hawaii. When the death occurs outside the State of Hawaii, benefits shall be paid as follows:

Time off will be given according to the above schedule if the employee leaves the State of Hawaii.

If the employee does not leave the State of Hawaii, the employee will be given 8 hours time off without loss of compensation if the employee is on a 5/8 schedule, or 10 hours if the employee is on a 4/10 schedule.

SECTION 19A
JURY OR WITNESS DUTY

An employee serving as a juror in any court or as a witness before any court or governmental body having the power to summons will be allowed full pay for all time lost from work on account of such duty. The employee shall not be paid when subpoenaed in cases where the employee is involved because of negligence or conduct.

An employee excused to serve as juror or witness must report for work during the regular working hours when the employee is not required to be present in court.

An employee, who is called for jury duty during the vacation period, will not be entitled to additional vacation time until the employee has served all or part of three days in court. After the three-day period, the employee will be allowed one additional vacation day for each day or portion thereof spent in court. This provision shall not apply to any expert witness subpoenaed and paid a fee.

SECTION 20

RIGHT OF ACCESS TO
COMPANY'S PROPERTY

The Company will grant to any properly authorized Union representative the right to go on Company premises to investigate grievances and to collect Union dues and to contact Union members on Union business when necessary.

SECTION 21

GRIEVANCE PROCEDURE

When an employee who is covered by the terms of this agreement or the Union believes that the Company has violated the express terms thereof and that by reason of such violation its rights arising out of such agreement have been adversely affected, the employee shall follow the procedure hereinafter set forth in presenting the grievance. (When any such employee or group of employees has a grievance arising other than through such violation, the employee or group of employees, as the case may be, may present such grievance to the Company in accordance with the provisions of sub-sections (a), (b), (c) and (e) of the grievance procedure.) It is agreed that only grievances involving the interpretation or application of this agreement may be submitted to arbitration.

A grievance must be filed within a thirty (30) day time limit from the date of discovery of an occurrence that may be cause for the filing of a grievance, exclusive of Saturdays, Sundays and holidays. Any grievance filed beyond this time limit shall be deemed as untimely and not subject to the Grievance Procedure. This time limit shall similarly affect all other steps in the grievance procedure unless otherwise stated.

It is agreed that any type of disciplinary action taken by the Company against an employee shall be subject to the Grievance Procedure and Arbitration.

(a) Any employee shall first either personally, or through a representative or committee of the Union acting upon behalf of such employee, or upon its own behalf, present the alleged grievance orally to the supervisor of the employee.

(b) If the supervisor does not adjust such grievance to the complainant's satisfaction, then the complainant may present the alleged grievance in writing to the department manager for transmittal to the vice president of the operation.

(c) If the vice president of the Company does not adjust such grievance to the complainant's satisfaction within ten days, exclusive of Saturdays, Sundays and holidays, then the complainant may present the alleged grievance in writing to the president of the Company.

- 1 (d) If the grievance is subject to arbitration and if the president has not settled the grievance to
2 the complainant's satisfaction within ten days, exclusive of Saturdays, Sundays and
3 holidays, then the Union may submit to the Company a written demand for arbitration.
4 The arbitrator's decision shall be final and binding upon all parties hereto and upon all
5 employees covered hereby.
6
- 7 (e) In the event of a discharge, at the employee's or the Union's option, the following
8 procedures may be followed in lieu of those set forth in subsections (a) through (d).
9
- 10 (1) The employee or the Union shall notify the Company in writing within ten days,
11 exclusive of Saturdays, Sundays and holidays, of the receipt of the written notice of
12 discharge that the optional grievance procedure set forth in this subsection is being
13 utilized and that the employee, personally, or through a representative or
14 committee of the Union acting on behalf of such employee, or on its own behalf,
15 wishes to present the alleged grievance orally directly to the applicable vice
16 president.
17
- 18 (2) The vice president shall meet with the complainant within five days of receipt of the
19 written notice, exclusive of Saturdays, Sundays and holidays.
20
- 21 (3) If the vice president of the Company does not adjust such grievance to the
22 complainant's satisfaction within five days, exclusive of Saturdays, Sundays and
23 holidays, the complainant may present the alleged grievance in writing to the
24 president of the Company.
25
- 26 (4) If the grievance is subject to arbitration and if the president has not settled the
27 grievance to the complainant's satisfaction within ten days, exclusive of Saturdays,
28 Sundays and holidays, then the Union may submit to the Company a written
29 demand for arbitration. The arbitrator's decision shall be final and binding upon all
30 parties hereto and upon all employees covered hereby.
31
- 32 (f) All such grievances shall be considered finally settled and not subject to arbitration unless
33 a written demand for arbitration has been served upon the Company within thirty days
34 after all previous steps of the grievance procedure have been completed.
35
36
37

38 SECTION 21A

39 SHOP STEWARDS
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41
42

43 The Union will submit to the Company a list of accredited shop stewards who will be recognized
44 by the Company as the people to present the employee's grievance to the supervisor. The shop
45 steward may speak with the employee on Company time. The Union agrees that the time will be
46 held to a minimum of interference to Company operations.
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SECTION 22

ARBITRATION

It is agreed that only grievances involving the interpretation or application of this agreement may be submitted to arbitration. No such grievance shall be presented for arbitration until all steps of the grievance procedure have been utilized. Either party shall have six (6) months to arbitrate a case subsequent to the last step in the grievance procedure, or the case shall be considered dropped and shall not be subject to further consideration by either party. However, either party may move to extend such limit for an additional six (6) months by written notice.

(a) Before appealing to the arbitrator, the representatives of the Company and the Union will prepare a submission agreement stating the issue or issues to be submitted to arbitration.

(b) The arbitrator shall confine the decision to the issues submitted as defined and described by the submission agreement and the arbitrator shall be prevented from adding to or subtracting from the express terms of this agreement and the arbitrator shall be bound entirely by the record presented in the form of evidence and argument at the arbitration hearing.

(c) In any case of discharge or disciplinary suspension where the arbitrator finds that such discharge or suspension was improper or excessive, such discharge or suspension may be set aside, reduced, or otherwise changed by the arbitrator.

If the penalty is set aside, reduced, or otherwise changed, the arbitrator, in the arbitrator's discretion, may award back pay to compensate the employee, wholly or partially, for any wages lost because of the penalty. If a back pay award is made, wages received from any other employment, or any sums received as unemployment compensation while the penalty is in effect, shall be deducted by the arbitrator in determining the amount of the award.

(d) Within seven days after the receipt by the Company of a written demand for arbitration, the representatives of the Union and the Company shall meet for the purpose of agreeing upon an arbitrator. If agreement cannot be reached within five days, either party may request the Federal Mediation and Conciliation Service to submit a list of five qualified arbitrators. The parties shall meet within five days after receipt of the list to select one of the persons named. In the event an agreement cannot be reached, the choice shall be determined by alternate strikes of one name by each party. The person whose name is not struck will be the arbitrator. The determination of which party strikes first will be made by tossing a coin.

The arbitrator shall receive for services such remuneration as shall be acceptable and agreed upon by the parties hereto. All fees and expenses of the arbitrator shall be borne equally by the Union and the Company. Each party shall bear the expenses of the presentation of its own case.

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SECTION 23

APPRENTICESHIP TRAINING

The program of apprenticeship training in conformance with State and Federal Laws now in effect shall be continued. Apprenticeship Standards shall be adopted as the policy under which apprentice training will be conducted within the Company. Administration of the program shall rest with a committee composed of equal members of the Union and equal members of the Company. The number of trainees in the program shall at all times be at the discretion of the Company.

SECTION 24

DEDUCTION OF UNION DUES
FROM WAGES

The Company agrees to deduct from the wages of any employee who requests in writing, the service fee or initiation fee, dues, assessments, and pension and insurance premiums and transmit the money so deducted to the Union as hereinafter provided.

An employee desiring to have Union dues deducted shall sign a proper dues assignment authorization in the form attached hereto and made a part hereof marked Exhibits "B-1," and "B-2," requesting such deduction from the employee's pay and such request for deduction will, if voluntarily made, upon filing with the Company, be honored in accordance with its terms, provided, however, that such assignment shall be automatically cancelled when the employee is no longer in the collective bargaining unit represented by the Union, and further provided that one or more provisions of the assignment may be cancelled by the Company upon written notice to the Union if any court or any agency of the United States holds, rules, or declares that any provision similar to the provisions of this assignment violate Section 302 of the Labor-Management Relations Act.

Deductions as provided herein shall not be made more often than once a month. It is agreed that authorized deductions for government taxes and for the purpose of paying indebtedness to the Company, garnishments and deductions required by law to be made by the Company shall have priority over deductions for Union dues or service fees.

The total amount of any dues deduction and service fee or initiation fee shall be promptly transmitted by the Company to the Union by electronic transfer or check drawn to the order of the I.B.E.W., Local 1260. Upon the issue of such check and transmission of same to the treasurer or the successor of said Union, all responsibility on the part of the Company shall cease with respect to any amount so deducted. The Union hereby undertakes to indemnify and hold harmless the Company from any claim that may be made upon it for or on account of any such deduction from the wages of any employee.

SECTION 25

MISCELLANEOUS ITEMS

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5
6 1. The Company shall continue to assume its legal liability for all damages to motor vehicles
7 for which it is responsible but reserves the right to discipline an employee responsible for
8 such damages in case of negligence on the employee's part.
9
- 10 2. In cases of motor vehicle accidents, a representative of the Company and/or the insurance
11 company adjuster will represent an employee in the case of a civil suit involving property
12 damage or public liability arising out of an accident suffered while on Company business.
13
14 In cases of traffic code violations, the driver will be held personally liable. Representation
15 will be furnished by the Company if the driver was acting on instructions from the
16 supervisor, or if the violation was caused by failure of mechanical equipment.
17
- 18 3. The Company shall continue to provide the bulletin boards now on Company premises for
19 the purpose of posting officially signed Union bulletins.
20
- 21 4. Upon request, a suspended or discharged employee shall be furnished the reason for the
22 suspension or discharge in writing.
23
- 24 5. It is agreed that a Joint Review Committee will operate during the term of the contract
25 utilizing the services of a Federal Mediator when necessary.
26
- 27 6. It is recognized that the Company has the right to have work done by outside contractors.
28 In the exercise of such right the Company will not enter into a contract with any other firm
29 or individual for the purpose of dispensing with the services of an existing employee who is
30 engaged in such work.
31
- 32 7. A Job Evaluation Committee consisting of four representatives of the Union and four
33 representatives of the Company will be appointed by the respective parties. This
34 committee is established to function during the term of this collective bargaining
35 agreement by analyzing and making recommendations to the Company and the Union on
36 the requests made by employees of Hawaii Electric and Maui Electric, as well as
37 employees of the Company, for adjustments of their classifications. This committee shall
38 have no authority to amend this agreement or make revisions to any job descriptions.
39
40 If the Company and the Union agree with a recommendation of the committee, it shall be
41 put into effect. If the committee reaches an impasse on a request for adjustment or, if
42 after the committee's recommendation, the Company and the Union do not agree, it will be
43 presented to a neutral third party for a decision. The decision will be binding on both
44 parties.
45
46 Requests for classification adjustments will not be considered in contract negotiations.
47 Disputes over the rate of pay for new jobs that are established and existing jobs that are
48 changed substantially during the life of the contract will be negotiable items.
49
- 50 8. The Company will deliver to the Union semi-annually a list of employees in the bargaining
51 unit, showing their wage rates as of May 1 and November 1.

- 1 9. Unless approved by the Safety Committee, helicopters will be used only for line
2 inspections, transporting personnel and transporting material.
- 3
- 4 10. Union shop stewards and officers will be entitled to one hour pay at a straight time rate
5 each month for the purpose of attending shop stewards' meetings.
- 6
- 7 11. It is the policy of the Company and the Union not to discriminate against any employee
8 because of race, religion, ancestral origin, color, religion, sex, national origin, age, marital
9 status, arrest and court record, sexual orientation, disability, military service, or other
10 grounds protected under applicable State and Federal laws.
- 11
- 12 12. Discounts to Employees - The Company will continue the present practice of granting
13 discounts to employees and pensioners on electric light and power. The employee's
14 electric light and power discount will be equal to one third of the employee's monthly KWH
15 usage up to a cap of 275 KWH. This KWH cap is equal to one third of 825 KWH, which is
16 the average 1994 usage of Schedule E (Employee) customers. This discount is
17 transferable between companies. The discount shall be calculated at the prevailing
18 Schedule E rate for the island on which the employee resides.
- 19
- 20 13. Personal Tools Required by Employees for Certain Jobs - The employee is expected to
21 own certain tools required by the particular craft. Lists are printed separately indicating
22 minimum tool requirements in the craft classifications.
- 23
- 24 14. Self-Improvement Courses - An employee who successfully completes a self-improvement
25 course that had prior approval by the Company will be reimbursed for one-half of the
26 tuition cost for a course that is indirectly related to the employee's present job. The
27 Company will reimburse the employee 100% for courses that are directly job related.
- 28
- 29 15. Before an employee is to be assigned to work outside of the State of Hawaii, the Company
30 and the Union will negotiate the terms and conditions that will apply to such assignment.
- 31
- 32 16. When contracting or employing temporary help, management will authorize overtime as
33 follows:
34
 - 35 (a) During periods that work traditionally performed by the Company is being either
36 contracted or performed by a temporary employee, an employee who would have
37 normally performed the work will be scheduled for not less than six days per week,
38 two weeks out of three.
 - 39
 - 40 (b) It is not the intention of the Company to expand the present areas being
41 contracted.
 - 42
- 43 17. Height Differential - For all work performed on metal towers, wood poles, or structures
44 within a substation or switching station, when an employee is working on a circuit where at
45 least one wire of this circuit is seventy feet or more above ground at the structure or for all
46 other work performed at heights of seventy feet or more above a landing on poles, towers,
47 structures, smoke stacks or from a bosun chair or suspended steel cage, a \$12.00 per day
48 height differential will be paid.
- 49
- 50 On overtime work the pay will be computed on the employee's base rate plus \$1.50 per
51 hour.

- 1 18. Helicopter differential of \$12.00 per day will be paid to the employee when the employee's
2 job requires the employee to be transported by helicopter.
3
4 19. An employee engaged in mixing or applying herbicides will receive 25 cents per hour
5 differential for a minimum of two hours.
6
7
8

9
10 SECTION 25

11 LETTERS
12

13
14 The following letters, not considered part of the contract, have been agreed to by the Company
15 and the Union to interpret existing policies:
16

- 17 1. Work Rule-Policy Changes - The Company intends wherever practical to give the Union
18 advance notice when work rules and policies are to be changed.
19
20 2. Appointment of Leadingman - The language in Section 10 that provides for the
21 appointment of a leadingman when two employees in journeyman classifications or higher
22 are working at a location isolated from customary supervision is not intended to be used to
23 replace a working foreman.
24
25 3. Neighbor Island Work Assignments - Employees whose classifications are likely to be
26 utilized on neighbor island assignments will be polled as to their desire for these
27 assignments. A list will be prepared and kept current of the employees who wish to be
28 considered for these assignments. The assignments will normally be rotated among the
29 employees on this list. In the event work has to be performed on a neighbor island and
30 the Company is unable to secure volunteers, the Union will work with the Company to
31 obtain the required personnel.
32
33 4. It is agreed that a form will be provided for an employee who wishes to be considered for
34 transfer to a neighbor island. The form will indicate the island and the classification for
35 which the employee is interested. It will only remain in effect for one year unless it is
36 renewed.
37
38 It is also agreed that the current list of employees who have signed these forms will be
39 given preferential consideration before an "off-the-street" applicant is hired.
40
41 5. An employee who receives telephone calls at home regarding the employee's work will be
42 paid one-half hour overtime for each call, except that no payment will be made for calls
43 made by the Company to determine the status of a job the employee failed to close out
44 properly before leaving work.
45
46 6. Nothing in the Sickness Benefit and Workers' Compensation sections of the contract
47 (Sections 14 and 15) shall be interpreted so as to provide payments for the same period of
48 time under both sections.
49
50
51

1 7. Promotions - The Company will continue to adhere to the intent of the contract (Section
2 8A) which is, briefly, "to promote the senior qualified employee." A supervisor's selection
3 of other than the senior employee will be reviewed by the department head, who will
4 analyze the reasons for the particular promotion being given to an employee other than
5 the senior employee, and ensure that sufficient grounds exist for not promoting the senior
6 employee.

7
8 An employee who feels that sufficient training to qualify for future promotions in the normal
9 lines of progression is not being given may request assignment to duties where Company
10 training is available. Such request shall be made in writing.

11
12 A senior employee who feels bypassed for training to working foreman and foreman
13 positions may request such training. Such requests shall be made in writing. The
14 Company will either make the training available or will give the reasons that it feels the
15 training would not be useful.

16
17 8. Incapacitated Workers - Realizing the importance to the individual of the classification the
18 employee has attained through many years of service, the Company will observe the
19 following policy:

20
21 Before an employee who is unable to perform the normal duties because of a
22 disability is placed in a lower classification, every attempt will be made to continue
23 the employee in the present classification if it does not materially interfere with the
24 efficient operation of the division to which the employee is assigned.

25
26 Each decision will be reviewed by the respective vice president before any action is taken.

27
28 9. When two or more technicians in the System Operation and Production Departments are
29 assigned to neighbor island work, one technician will be designated as a leader and will be
30 paid at the rate of a Substation Technician.

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1 In addition to the above, other letters have been agreed to by the Company and the Union on the
2 following subjects, copies of such letters being on file at the offices of the Company and the
3 Union:
4

5	(PMH-2)	Emergency Time Off for Employees
6	(PMH-3)	Meals for Scheduled Overtime at Night
7	(PMH-5)	Clarification of Design and Drafting Work
8	(PMH-6)	Work Assignments of Customer Planners
9	(P-7)	Troubleman Apprentice Wages
10	(PMH-8)	Working on Creosoted Poles
11	(P-9)	Issuance of Paychecks
12	(PM-11)	Posting Overtime Records in Certain Areas
13	(PM-12rev)	Callout Policy for Warehouse
14	(P-13)	Clarification of Working Foreman Overclassification
15	(P-15)	All Trucks and Rigs Used by the Company
16	(PMH-18)	Single Bucket Work Practices (revised)
17	(PH-21)	Company Supplied Shirts
18	(PMH-23)	Issuance of Leather Gloves
19	(PMH-24)	Classification Testing - Production Department
20	(P-25)	Training - Production Department
21	(PMH-28)	Joint Technician Committee
22	(P-30)	Working Under Rainy Conditions
23	(P-31)	Overclassification Pay Rates for Relief Truck Drivers
24	(P-32)	Responsibilities of Load Dispatcher and Assistant Supervising Load Dispatcher
25		
26	(P-33)	Distribution Department Policy for Overhead on Working Foreman
27	(P-34)	Substation Technician Training
28	(P-35)	Waiau Baseyard Night Garage Operation
29	(P-36)	Group Leader Classification in Production Department
30	(P-37)	Welding and Welders in Production Department
31	(P-38)	Joint Pole Work
32	(P-39rev)	Overhead and Underground Responsibilities Regarding Non- Leaded Cable Work
33		
34	(P-40)	Distribution Department Policy on Scheduled Overtime Work
35	(P-41)	Distribution Department Callout Policy
36	(P-42)	Underground Division Organization (Replaces Underground Reorganization dated 10/16/87)
37		
38	(P-60)	Use of Troubleman as a Temporary Line Crew Member

SECTION 26

DOCUMENT CONTAINS
ENTIRE AGREEMENT

This document contains the entire agreement of the parties, and neither party has made any representations to the other which are not contained herein.

IN WITNESS WHEREOF the parties hereto, through their duly authorized representative, have executed this agreement effective November 1, 2003.

HAWAIIAN ELECTRIC COMPANY, INC.

By /s/ Michael H. McInerney
By /s/ Patricia Uyehara Wong
By /s/ Warren H.W. Lee
By /s/ Aaron K. Fujinaka
By /s/ Harold K. Kageura
By /s/ Teri Y. Kam
By /s/ Lorie Ann K.K.K. Nagata
By /s/ Rhea R.L. Nakaya
By /s/ Julie K. Price
By /s/ Scott W.H. Seu
By /s/ Ernest T. Shiraki
By /s/ Eileen S. Wachi

LOCAL UNION 1260 of the INTERNATIONAL
BROTHERHOOD OF ELECTRICAL WORKERS

By /s/ Harry H. K. Kameenui
By /s/ Roy S. Franco
By /s/ John B. Jumalon
By /s/ Shamus Evans
By /s/ Annie Freitas
By /s/ Keola N. Jimeno
By /s/ John Kaalekahi
By /s/ Miles Y. Nakasone
By /s/ Patrick J. O'Toole
By /s/ Scott A. Robertson
By /s/ Loren M. Taguchi
By /s/ Alvin H. Vierra

EXHIBIT A

Promotion:	An employee will start at the employee's regular rate plus 5% or the minimum of the higher classification, whichever is greater, not to exceed the maximum rate of the higher classification.
Lateral Transfer:	An employee will start at the employee's existing rate, and in-step service of the previous classification will be included in determining movement to the next step.
Downward Transfer:	An employee will start at the employee's existing rate if the rate is shown in the new pay schedule; otherwise, the employee will be placed at the next lower rate in the rate schedule.
Overclassification:	An employee, who is assigned regular work of a higher classification for one hour or more, shall be paid the employee's regular rate plus 5% or the minimum rate of the higher classification, whichever is greater, not to exceed the maximum rate of the higher classification, for eight hours each day so assigned.
Exception:	When an employee is promoted, transferred or overclassified, the employee's rate is not to exceed the rate of a present incumbent.

HAWAIIAN ELECTRIC COMPANY, INC.
EXHIBIT A
(continued)

JOB CODE	JOB TITLE	11/1/2003	11/1/2004	5/1/2005	11/1/2005	5/1/2006	11/1/2006
CL737	MAIL CLERK						
	1st 6 mos.	8.95	9.08	9.21	9.34	9.47	9.73
	Next 6 mos.	9.41	9.55	9.69	9.83	9.96	10.24
	Next 6 mos.	9.86	10.00	10.14	10.29	10.43	10.72
	Thereafter	10.35	10.50	10.65	10.80	10.95	11.26
TL01	CUSTODIAN I						
	1st 6 mos.	9.41	9.55	9.69	9.83	9.96	10.24
	Next 6 mos.	9.86	10.00	10.14	10.29	10.43	10.72
	Thereafter	10.35	10.50	10.65	10.80	10.95	11.26
CL01	CLERK TYPIST I						
	1st 6 mos.	9.86	10.00	10.14	10.29	10.43	10.72
	Next 6 mos.	10.35	10.50	10.65	10.80	10.95	11.26
	Next 6 mos.	10.85	11.00	11.16	11.32	11.48	11.79
	Thereafter	11.37	11.54	11.70	11.87	12.03	12.36
TL02	GROUNDSKEEPER I						
	1st 6 mos.	10.35	10.50	10.65	10.80	10.95	11.26
	Next 6 mos.	10.85	11.00	11.16	11.32	11.48	11.79
	Thereafter	11.37	11.54	11.70	11.87	12.03	12.36
TL14	CONSTRUCTION HELPER						
	1st 6 mos.	11.11	11.28	11.44	11.60	11.76	12.08
	Thereafter	11.67	11.84	12.01	12.18	12.35	12.69
TL204	SERVICE STATION ATTENDANT						
TL704	MAIL DRIVER						
	1st 6 mos.	10.35	10.50	10.65	10.80	10.95	11.26
	Next 6 mos.	10.85	11.00	11.16	11.32	11.48	11.79
	Next 6 mos.	11.37	11.54	11.70	11.87	12.03	12.36
	Thereafter	11.94	12.11	12.29	12.46	12.63	12.98
CL635	PRINTER I						
	1st 6 mos.	11.37	11.54	11.70	11.87	12.03	12.36
	Next 6 mos.	11.94	12.11	12.29	12.46	12.63	12.98
	Thereafter	12.52	12.71	12.89	13.07	13.25	13.62
TL12	CUSTODIAN II						
	1st 3 mos.	11.37	11.54	11.70	11.87	12.03	12.36
	Next 3 mos.	11.94	12.11	12.29	12.46	12.63	12.98
	Next 6 mos.	12.52	12.71	12.89	13.07	13.25	13.62
	Thereafter	13.15	13.34	13.54	13.73	13.92	14.30
TL258	AUTO POOL ATTENDANT I						
	1st 6 mos.	11.37	11.54	11.70	11.87	12.03	12.36
	Next 6 mos.	11.94	12.11	12.29	12.46	12.63	12.98
	Next 6 mos.	12.52	12.71	12.89	13.07	13.25	13.62
	Thereafter	13.15	13.34	13.54	13.73	13.92	14.30
CL476	RATE CLERK						
	1st 3 mos.	11.37	11.54	11.70	11.87	12.03	12.36
	Next 3 mos.	11.94	12.11	12.29	12.46	12.63	12.98
	Next 3 mos.	12.52	12.71	12.89	13.07	13.25	13.62
	Next 6 mos.	13.15	13.34	13.54	13.73	13.92	14.30
	Next 6 mos.	13.77	13.97	14.17	14.37	14.57	14.97
	Thereafter	14.48	14.69	14.90	15.11	15.33	15.75

HAWAIIAN ELECTRIC COMPANY, INC.
EXHIBIT A
(continued)

<u>JOB CODE</u>	<u>JOB TITLE</u>	<u>11/1/2003</u>	<u>11/1/2004</u>	<u>5/1/2005</u>	<u>11/1/2005</u>	<u>5/1/2006</u>	<u>11/1/2006</u>
CL02	CLERK TYPIST II						
	1st 6 mos.	11.94	12.11	12.29	12.46	12.63	12.98
	Next 6 mos.	12.52	12.71	12.89	13.07	13.25	13.62
	Next 6 mos.	13.15	13.34	13.54	13.73	13.92	14.30
	Next 6 mos.	13.77	13.97	14.17	14.37	14.57	14.97
	Thereafter	14.48	14.69	14.90	15.11	15.33	15.75
TL13	GROUNDSKEEPER II						
	1st 3 mos.	12.52	12.71	12.89	13.07	13.25	13.62
	Next 3 mos.	13.15	13.34	13.54	13.73	13.92	14.30
	Next 6 mos.	13.77	13.97	14.17	14.37	14.57	14.97
	Thereafter	14.48	14.69	14.90	15.11	15.33	15.75
TL08	HELPER 1/C						
TL17	MAINTENANCE HELPER						
	1st 3 mos.	11.67	11.84	12.01	12.18	12.35	12.69
	Next 3 mos.	12.24	12.41	12.59	12.77	12.95	13.31
	Next 6 mos.	12.83	13.02	13.21	13.39	13.58	13.96
	Next 6 mos.	13.47	13.67	13.86	14.06	14.26	14.65
	Next 6 mos.	14.13	14.34	14.54	14.75	14.95	15.37
	Thereafter	14.82	15.04	15.25	15.47	15.69	16.12
CL05	ACCOUNT SERVICES CLERK I						
CL713	TELEPHONE OPER/RECEPTIONIST						
	1st 6 mos.	11.94	12.11	12.29	12.46	12.63	12.98
	Next 6 mos.	12.52	12.71	12.89	13.07	13.25	13.62
	Next 6 mos.	13.15	13.34	13.54	13.73	13.92	14.30
	Next 6 mos.	13.77	13.97	14.17	14.37	14.57	14.97
	Next 6 mos.	14.48	14.69	14.90	15.11	15.33	15.75
	Thereafter	15.20	15.42	15.65	15.87	16.09	16.53
TL15	CUSTODIAN III						
	1st 3 mos.	13.15	13.34	13.54	13.73	13.92	14.30
	Next 3 mos.	13.77	13.97	14.17	14.37	14.57	14.97
	Next 6 mos.	14.48	14.69	14.90	15.11	15.33	15.75
	Thereafter	15.20	15.42	15.65	15.87	16.09	16.53
CL667	PRINTER II						
CL748	MAIL MACHINE OPERATOR						
CL750	SENIOR MAIL CLERK						
	1st 3 mos.	12.83	13.02	13.21	13.39	13.58	13.96
	Next 3 mos.	13.47	13.67	13.86	14.06	14.26	14.65
	Next 3 mos.	14.13	14.34	14.54	14.75	14.95	15.37
	Next 6 mos.	14.82	15.04	15.25	15.47	15.69	16.12
	Next 6 mos.	15.55	15.78	16.01	16.23	16.46	16.91
	Thereafter	16.33	16.56	16.80	17.04	17.28	17.75
CL04	ACCOUNTING CLERK II						
CL19	CLAIMS CLERK						
	1st 6 mos.	13.47	13.67	13.86	14.06	14.26	14.65
	Next 6 mos.	14.13	14.34	14.54	14.75	14.95	15.37
	Next 6 mos.	14.82	15.04	15.25	15.47	15.69	16.12
	Next 6 mos.	15.55	15.78	16.01	16.23	16.46	16.91
	Thereafter	16.33	16.56	16.80	17.04	17.28	17.75

HAWAIIAN ELECTRIC COMPANY, INC.
EXHIBIT A
(continued)

JOB CODE	JOB TITLE	11/1/2003	11/1/2004	5/1/2005	11/1/2005	5/1/2006	11/1/2006
CLC16	WORD PROCESSING OPERATOR						
	1st 3 mos.	13.15	13.34	13.54	13.73	13.92	14.30
	Next 3 mos.	13.77	13.97	14.17	14.37	14.57	14.97
	Next 3 mos.	14.48	14.69	14.90	15.11	15.33	15.75
	Next 6 mos.	15.20	15.42	15.65	15.87	16.09	16.53
	Next 6 mos.	15.94	16.18	16.41	16.64	16.87	17.34
	Thereafter	16.72	16.96	17.20	17.45	17.69	18.18
CLC01	INFO STORAGE EQUIP OPER						
	1st 3 mos.	14.13	14.34	14.54	14.75	14.95	15.37
	Next 3 mos.	15.55	15.78	16.01	16.23	16.46	16.91
	Next 6 mos.	16.33	16.56	16.80	17.04	17.28	17.75
	Thereafter	17.16	17.41	17.66	17.91	18.16	18.66
TL260	TIRE REPAIRER						
	1st 6 mos.	14.13	14.34	14.54	14.75	14.95	15.37
	Next 6 mos.	15.55	15.78	16.01	16.23	16.46	16.91
	Next 6 mos.	16.33	16.56	16.80	17.04	17.28	17.75
	Thereafter	17.16	17.41	17.66	17.91	18.16	18.66
CL03	CLERK TYPIST III						
	1st 6 mos.	13.77	13.97	14.17	14.37	14.57	14.97
	Next 6 mos.	14.48	14.69	14.90	15.11	15.33	15.75
	Next 6 mos.	15.20	15.42	15.65	15.87	16.09	16.53
	Next 6 mos.	15.94	16.18	16.41	16.64	16.87	17.34
	Next 6 mos.	16.72	16.96	17.20	17.45	17.69	18.18
	Thereafter	17.54	17.80	18.05	18.31	18.56	19.07
T105	(S) OPERATOR TRAINEE	17.95	18.21	18.48	18.74	19.00	19.52
TL09	SENIOR HELPER						
	1st 3 mos.	14.13	14.34	14.54	14.75	14.95	15.37
	Next 3 mos.	14.82	15.04	15.25	15.47	15.69	16.12
	Next 6 mos.	15.55	15.78	16.01	16.23	16.46	16.91
	Next 6 mos.	16.33	16.56	16.80	17.04	17.28	17.75
	Next 6 mos.	17.16	17.41	17.66	17.91	18.16	18.66
	Thereafter	17.98	18.25	18.51	18.77	19.03	19.56
TL16	CUSTODIAN IV						
TL284	GROUNDSKEEPER III						
	1st 3 mos.	15.94	16.18	16.41	16.64	16.87	17.34
	Next 3 mos.	16.72	16.96	17.20	17.45	17.69	18.18
	Next 6 mos.	17.54	17.80	18.05	18.31	18.56	19.07
	Thereafter	18.42	18.68	18.95	19.22	19.49	20.03
CL09	ACCOUNTING CLERK III						
CL720	PURCHASING CLERK I						
CL1007	ACCOUNT SERVICES CLERK II						
	1st 3 mos.	14.82	15.04	15.25	15.47	15.69	16.12
	Next 3 mos.	15.55	15.78	16.01	16.23	16.46	16.91
	Next 3 mos.	16.33	16.56	16.80	17.04	17.28	17.75
	Next 6 mos.	17.16	17.41	17.66	17.91	18.16	18.66
	Next 6 mos.	17.98	18.25	18.51	18.77	19.03	19.56
	Thereafter	18.87	19.14	19.42	19.69	19.97	20.52

HAWAIIAN ELECTRIC COMPANY, INC.
EXHIBIT A
(continued)

JOB CODE	JOB TITLE	11/1/2003	11/1/2004	5/1/2005	11/1/2005	5/1/2006	11/1/2006
CL11	DRAWING CONTROL CLERK						
	1st 3 mos.	14.82	15.04	15.25	15.47	15.69	16.12
	Next 6 mos.	15.55	15.78	16.01	16.23	16.46	16.91
	Next 6 mos.	16.33	16.56	16.80	17.04	17.28	17.75
	Next 6 mos.	17.16	17.41	17.66	17.91	18.16	18.66
	Next 6 mos.	17.98	18.25	18.51	18.77	19.03	19.56
	Thereafter	18.87	19.14	19.42	19.69	19.97	20.52
TL296	MECHANIC HELPER						
	1st 3 mos.	14.48	14.69	14.90	15.11	15.33	15.75
	Next 3 mos.	15.20	15.42	15.65	15.87	16.09	16.53
	Next 6 mos.	16.72	16.96	17.20	17.45	17.69	18.18
	Next 6 mos.	17.54	17.80	18.05	18.31	18.56	19.07
	Next 6 mos.	18.42	18.68	18.95	19.22	19.49	20.03
	Thereafter	19.34	19.63	19.91	20.19	20.47	21.03
CLG05	METER READING CLERK						
	1st 3 mos.	15.20	15.42	15.65	15.87	16.09	16.53
	Next 3 mos.	15.94	16.18	16.41	16.64	16.87	17.34
	Next 3 mos.	16.72	16.96	17.20	17.45	17.69	18.18
	Next 6 mos.	17.54	17.80	18.05	18.31	18.56	19.07
	Next 6 mos.	18.42	18.68	18.95	19.22	19.49	20.03
	Thereafter	19.34	19.63	19.91	20.19	20.47	21.03
CL829	CASHIER						
	1st 3 mos.	15.60	15.83	16.06	16.29	16.51	16.97
	Next 3 mos.	16.33	16.56	16.80	17.04	17.28	17.75
	Next 3 mos.	17.16	17.41	17.66	17.91	18.16	18.66
	Next 6 mos.	17.98	18.25	18.51	18.77	19.03	19.56
	Next 6 mos.	18.87	19.14	19.42	19.69	19.97	20.52
	Thereafter	19.80	20.08	20.37	20.66	20.95	21.53
CLC05	SR INFO STORAGE EQUIP OPER						
CL18	SYSTEM OPERATION CLERK						
CL104	POWER PLANT CLERK						
CL257	MOTOR FLEET CLERK						
CL328	METER CLERK						
CL604	PRINTER III						
CL684	COMPUTER SYSTEMS OPER TRAINEE						
	1st 3 mos.	15.94	16.18	16.41	16.64	16.87	17.34
	Next 3 mos.	16.72	16.96	17.20	17.45	17.69	18.18
	Next 3 mos.	17.54	17.80	18.05	18.31	18.56	19.07
	Next 6 mos.	18.42	18.68	18.95	19.22	19.49	20.03
	Next 6 mos.	19.34	19.63	19.91	20.19	20.47	21.03
	Thereafter	20.27	20.57	20.86	21.16	21.45	22.04
TL180	CONDENSER CLEANER						
	1st 6 mos.	17.54	17.80	18.05	18.31	18.56	19.07
	Next 6 mos.	18.42	18.68	18.95	19.22	19.49	20.03
	Next 6 mos.	19.34	19.63	19.91	20.19	20.47	21.03
	Thereafter	20.27	20.57	20.86	21.16	21.45	22.04

HAWAIIAN ELECTRIC COMPANY, INC.
EXHIBIT A
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JOB CODE	JOB TITLE	11/1/2003	11/1/2004	5/1/2005	11/1/2005	5/1/2006	11/1/2006
CLA49	PROJECT CLERK						
CLA81	STANDARDS CLERK						
CL12	JOINT POLE AIDE						
CL13	PROJECT CLERK						
CL15	FIELD SERVICE CLERK						
	1st 3 mos.	16.33	16.56	16.80	17.04	17.28	17.75
	Next 3 mos.	17.16	17.41	17.66	17.91	18.16	18.66
	Next 3 mos.	17.98	18.25	18.51	18.77	19.03	19.56
	Next 6 mos.	18.87	19.14	19.42	19.69	19.97	20.52
	Next 6 mos.	19.80	20.08	20.37	20.66	20.95	21.53
	Thereafter	20.81	21.11	21.41	21.72	22.02	22.62
TL11	FIRE EQUIP INSP & RPR (ENTRY)						
	1st 6 mos.	17.16	17.41	17.66	17.91	18.16	18.66
	Next 6 mos.	17.98	18.25	18.51	18.77	19.03	19.56
	Next 6 mos.	18.87	19.14	19.42	19.69	19.97	20.52
	Next 6 mos.	19.80	20.08	20.37	20.66	20.95	21.53
	Thereafter	20.81	21.11	21.41	21.72	22.02	22.62
T209	TRUCK DRIVER A						
T335	TRUCK DRIVER A	20.83	21.13	21.43	21.74	22.04	22.65
CL406	METER READER						
	1st 3 mos.	15.94	16.18	16.41	16.64	16.87	17.34
	Next 3 mos.	16.72	16.96	17.20	17.45	17.69	18.18
	Next 6 mos.	18.42	18.68	18.95	19.22	19.49	20.03
	Next 6 mos.	19.34	19.63	19.91	20.19	20.47	21.03
	Next 6 mos.	20.27	20.57	20.86	21.16	21.45	22.04
	Thereafter	21.29	21.60	21.91	22.22	22.53	23.15
CL1013	INVOICE PAYMENT CLERK						
CLD31	SR WORD PROCESSING OPERATOR						
CL16	FACILITIES PLANNING CLERK						
CL17	FUELS RECORDS CLERK						
	1st 3 mos.	17.16	17.41	17.66	17.91	18.16	18.66
	Next 3 mos.	17.98	18.25	18.51	18.77	19.03	19.56
	Next 3 mos.	18.87	19.14	19.42	19.69	19.97	20.52
	Next 6 mos.	19.80	20.08	20.37	20.66	20.95	21.53
	Next 6 mos.	20.81	21.11	21.41	21.72	22.02	22.62
	Thereafter	21.83	22.14	22.46	22.78	23.10	23.73
CL1011	PURCHASING CLERK						
	1st 3 mos.	17.98	18.25	18.51	18.77	19.03	19.56
	Next 3 mos.	18.87	19.14	19.42	19.69	19.97	20.52
	Next 6 mos.	19.80	20.08	20.37	20.66	20.95	21.53
	Next 6 mos.	20.81	21.11	21.41	21.72	22.02	22.62
	Thereafter	21.83	22.14	22.46	22.78	23.10	23.73
CL06	CONSTRUCTION & MAINTENANCE DIVISION CLERK						
	1st 3 mos.	18.87	19.14	19.42	19.69	19.97	20.52
	Next 6 mos.	19.80	20.08	20.37	20.66	20.95	21.53
	Next 6 mos.	20.81	21.11	21.41	21.72	22.02	22.62
	Thereafter	21.83	22.14	22.46	22.78	23.10	23.73
T210	TRUCK DRIVER B						
T336	TRUCK DRIVER B	22.39	22.72	23.04	23.37	23.70	24.35

HAWAIIAN ELECTRIC COMPANY, INC.
EXHIBIT A
(continued)

JOB CODE	JOB TITLE	11/1/2003	11/1/2004	5/1/2005	11/1/2005	5/1/2006	11/1/2006
CL012	SURVEY HELPER - ROD						
	1st 3 mos.	17.54	17.80	18.05	18.31	18.56	19.07
	Next 3 mos.	18.42	18.68	18.95	19.22	19.49	20.03
	Next 6 mos.	19.34	19.63	19.91	20.19	20.47	21.03
	Next 6 mos.	20.24	20.53	20.83	21.12	21.42	22.01
	Next 6 mos.	21.36	21.67	21.98	22.30	22.61	23.23
	Thereafter	22.50	22.82	23.15	23.48	23.81	24.46
CG06	RATE CLERK						
	1st 9 mos.	20.24	20.53	20.83	21.12	21.42	22.01
	Next 6 mos.	21.36	21.67	21.98	22.30	22.61	23.23
	Thereafter	22.50	22.82	23.15	23.48	23.81	24.46
TA08	UTILITY ASSISTANT						
TL215	UTILITY ASSISTANT						
T1011	UTILITY ASSISTANT						
	1st 12 mos.	22.39	22.72	23.04	23.37	23.70	24.35
	Thereafter	22.91	23.24	23.57	23.91	24.24	24.91
T211	TRUCK DRIVER C						
T337	TRUCK DRIVER C						
T342	GARDENER	22.91	23.24	23.57	23.91	24.24	24.91
T212	EQUIPMENT OPERATOR						
T734	EQUIPMENT OPERATOR	23.58	23.92	24.26	24.61	24.95	25.64
T1021	STORES ATTENDANT						
	1st 3 mos.	12.83	13.02	13.21	13.39	13.58	13.96
	Next 3 mos.	14.13	14.34	14.54	14.75	14.95	15.37
	Next 6 mos.	15.55	15.78	16.01	16.23	16.46	16.91
	Next 6 mos.	17.16	17.41	17.66	17.91	18.16	18.66
	Next 6 mos.	18.87	19.14	19.42	19.69	19.97	20.52
	Next 6 mos.	20.81	21.11	21.41	21.72	22.02	22.62
	Next 6 mos.	22.91	23.24	23.57	23.91	24.24	24.91
	Thereafter	23.58	23.92	24.26	24.61	24.95	25.64
C883	RISK MANAGEMENT CLERK						
C1021	PAYMENT PROCESSING CLERK						
C1024	RECEIVING & FREIGHT CLERK						
	1st 3 mos.	18.77	19.04	19.31	19.59	19.86	20.41
	Next 3 mos.	19.64	19.93	20.21	20.50	20.79	21.36
	Next 3 mos.	20.62	20.92	21.22	21.52	21.82	22.42
	Next 6 mos.	21.65	21.97	22.28	22.60	22.91	23.54
	Next 6 mos.	22.74	23.07	23.40	23.74	24.07	24.73
	Thereafter	23.88	24.22	24.57	24.92	25.27	25.96
C1005	EDUC & CONS AFFAIRS CLERK						
	1st 3 mos.	19.64	19.93	20.21	20.50	20.79	21.36
	Next 3 mos.	20.62	20.92	21.22	21.52	21.82	22.42
	Next 6 mos.	21.65	21.97	22.28	22.60	22.91	23.54
	Next 6 mos.	22.74	23.07	23.40	23.74	24.07	24.73
	Thereafter	23.88	24.22	24.57	24.92	25.27	25.96

HAWAIIAN ELECTRIC COMPANY, INC.
EXHIBIT A
(continued)

JOB CODE	JOB TITLE	11/1/2003	11/1/2004	5/1/2005	11/1/2005	5/1/2006	11/1/2006
CA09	TECHNICAL CLERK						
CD02	SAFETY AIDE						
C522	CONS ADV SERVICE CLERK						
C685	COMPUTER SYS OPERATOR						
	1st 9 mos.	21.49	21.80	22.11	22.42	22.74	23.36
	Next 9 mos.	22.67	23.00	23.33	23.66	23.99	24.65
	Thereafter	23.88	24.22	24.57	24.92	25.27	25.96
T178	FIRE EQUIP INSP & RPR	23.88	24.22	24.57	24.92	25.27	25.96
TA22	AUTO PARTS ATTENDANT						
	1st 6 mos.	21.02	21.33	21.63	21.94	22.25	22.86
	Next 6 mos.	22.08	22.40	22.73	23.05	23.37	24.01
	Next 6 mos.	23.19	23.52	23.86	24.20	24.54	25.21
	Thereafter	24.36	24.71	25.07	25.42	25.78	26.49
T224	UTILITY MECHANIC						
T732	SR WHSE ATTENDANT	24.36	24.71	25.07	25.42	25.78	26.49
CA33	ELECTRIC FACILITIES TECHNICAL (EFT) RESEARCHER						
C369	ELECTRIC FACILITIES MANAGEMENT SYSTEM (EFMS) TECHNICIAN						
	1st 3 mos.	14.67	14.88	15.09	15.31	15.52	15.95
	Next 3 mos.	15.88	16.11	16.35	16.58	16.81	17.27
	Next 3 mos.	17.10	17.35	17.60	17.85	18.09	18.59
	Next 3 mos.	18.32	18.59	18.86	19.12	19.39	19.92
	Next 6 mos.	19.55	19.83	20.12	20.40	20.69	21.26
	Next 6 mos.	20.78	21.08	21.38	21.68	21.99	22.59
	Next 6 mos.	21.98	22.30	22.62	22.94	23.26	23.90
	Next 6 mos.	23.20	23.53	23.87	24.21	24.55	25.22
	Thereafter	24.43	24.79	25.14	25.50	25.85	26.57
CA38	JR CUSTOMER PLANNER						
	1st 9 mos.	21.98	22.30	22.62	22.94	23.26	23.90
	Next 6 mos.	23.20	23.53	23.87	24.21	24.55	25.22
	Thereafter	24.43	24.79	25.14	25.50	25.85	26.57
T114	(S) EQUIPMENT OPERATOR						
T286	TRUCK DRIVER D	24.75	25.11	25.47	25.83	26.19	26.91
CC04	JOB ACCOUNTING CLERK						
	1st 6 mos.	21.34	21.65	21.96	22.27	22.58	23.21
	Next 6 mos.	22.59	22.92	23.25	23.57	23.90	24.56
	Next 6 mos.	23.85	24.20	24.55	24.90	25.24	25.94
	Thereafter	25.11	25.48	25.84	26.21	26.57	27.31
CA02	CUSTOMER CLERK						
C614	ACCOUNTS PAYABLE & DISB CLK						
C646	PLANT ACCOUNTING CLERK						
C811	CUSTOMER FIELD REPRESENTATIVE						
C1019	MATERIAL COORDINATOR (T&D)						
C1020	CAPITAL BUDGETS AIDE						
	1st 3 mos.	18.84	19.11	19.39	19.66	19.94	20.48
	Next 3 mos.	20.07	20.37	20.66	20.95	21.24	21.83
	Next 3 mos.	21.34	21.65	21.96	22.27	22.58	23.21
	Next 6 mos.	22.59	22.92	23.25	23.57	23.90	24.56
	Next 6 mos.	23.85	24.20	24.55	24.90	25.24	25.94
	Thereafter	25.11	25.48	25.84	26.21	26.57	27.31

HAWAIIAN ELECTRIC COMPANY, INC.
EXHIBIT A
(continued)

<u>JOB CODE</u>	<u>JOB TITLE</u>	<u>11/1/2003</u>	<u>11/1/2004</u>	<u>5/1/2005</u>	<u>11/1/2005</u>	<u>5/1/2006</u>	<u>11/1/2006</u>
C619	CUSTOMER BILLING REPR						
C699	SR PRESS OPERATOR						
C810	CUSTOMER ACCOUNT SERVICES CLERK						
	1st 9 mos.	22.59	22.92	23.25	23.57	23.90	24.56
	Next 9 mos.	23.85	24.20	24.55	24.90	25.24	25.94
	Thereafter	25.11	25.48	25.84	26.21	26.57	27.31
CA44	DRAFTING TECHNICIAN I						
	1st 6 mos.	24.56	24.91	25.27	25.63	25.99	26.70
	Thereafter	25.85	26.23	26.61	26.98	27.36	28.11
T217	PAINTER						
	1st 12 mos.	21.93	22.25	22.57	22.89	23.21	23.84
	Next 12 mos.	24.05	24.40	24.75	25.10	25.45	26.15
	Next 12 mos.	25.40	25.77	26.14	26.51	26.88	27.62
	Thereafter	26.75	27.14	27.53	27.92	28.31	29.09
CA18	EXPEDITER						
CA31	STATISTICAL CLERK						
C365	ENGRG OPERATIONS CLERK						
C1003	JOINT POLE COORDINATOR						
	1st 9 mos.	24.05	24.40	24.75	25.10	25.45	26.15
	Next 9 mos.	25.40	25.77	26.14	26.51	26.88	27.62
	Thereafter	26.75	27.14	27.53	27.92	28.31	29.09
C860	CUSTOMER ASSISTANCE REPR						
	1st 3 mos.	20.78	21.08	21.38	21.68	21.99	22.59
	Next 3 mos.	21.82	22.13	22.45	22.77	23.09	23.72
	Next 3 mos.	22.90	23.23	23.56	23.90	24.23	24.90
	Next 6 mos.	24.05	24.40	24.75	25.10	25.45	26.15
	Next 6 mos.	25.40	25.77	26.14	26.51	26.88	27.62
	Thereafter	26.75	27.14	27.53	27.92	28.31	29.09
C418	SR CUSTOMER FIELD INVESTIGATOR						
C420	SR CUSTOMER BILLING REPR						
	1st 9 mos.	24.63	24.99	25.34	25.70	26.06	26.78
	Next 9 mos.	26.02	26.40	26.78	27.15	27.53	28.29
	Thereafter	27.37	27.77	28.16	28.56	28.96	29.76
T219	CARPENTER						
	1st 12 mos.	21.93	22.25	22.57	22.89	23.21	23.84
	Next 12 mos.	23.88	24.22	24.57	24.92	25.27	25.96
	Next 12 mos.	26.09	26.47	26.85	27.23	27.61	28.37
	Thereafter	27.83	28.24	28.64	29.05	29.45	30.26
T221	MECHANIC						
T223	ELECTRICAL MECHANIC						
T263	AUTOMOTIVE MECHANIC						
	1st 12 mos.	26.09	26.47	26.85	27.23	27.61	28.37
	Thereafter	27.83	28.24	28.64	29.05	29.45	30.26
TA11	SR PAINTER						
T135	(S) UTILITY OPERATOR						
T173	MAINT EQUIP MECHANIC						
T236	DISTR LINE INSPECTOR						
T308	INSPECTOR						
T1015	SR FIRE EQUIP INSP & RPR	27.83	28.24	28.64	29.05	29.45	30.26

HAWAIIAN ELECTRIC COMPANY, INC.
EXHIBIT A
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JOB CODE	JOB TITLE	11/1/2003	11/1/2004	5/1/2005	11/1/2005	5/1/2006	11/1/2006
C461	LEAD CUSTOMER ASSISTANCE REPR						
C622	SR COMPUTER SYSTEMS OPER						
C1022	LEAD PYMNT PROC & SUPP CTR CLK						
	1st 9 mos.	25.40	25.77	26.14	26.51	26.88	27.62
	Next 9 mos.	26.83	27.22	27.61	28.00	28.39	29.18
	Thereafter	28.22	28.63	29.04	29.46	29.87	30.69
C013	CUSTOMER PLANNER						
	1st 9 mos.	25.49	25.86	26.24	26.61	26.98	27.72
	Next 9 mos.	26.88	27.27	27.67	28.06	28.45	29.23
	Thereafter	28.31	28.73	29.14	29.55	29.96	30.79
C026	TRANSIT TECHNICIAN						
C1009	SR ELECTRIC FACILITIES MANAGEMENT SYSTEM (EFMS) TECHNICIAN						
	1st 9 mos.	26.20	26.58	26.97	27.35	27.73	28.49
	Next 9 mos.	27.69	28.09	28.49	28.90	29.30	30.11
	Thereafter	29.12	29.54	29.97	30.39	30.81	31.66
CA15	DRAFTING TECH II						
C1012	DRAFTING TECH II						
	1st 12 mos.	26.50	26.89	27.27	27.66	28.05	28.82
	Next 12 mos.	27.31	27.70	28.10	28.50	28.90	29.69
	Next 12 mos.	28.19	28.60	29.01	29.42	29.83	30.65
	Thereafter	29.12	29.54	29.97	30.39	30.81	31.66
T1008	TOOL ROOM UTILITY MECHANIC						
	1st 12 mos.	26.75	27.14	27.53	27.92	28.31	29.09
	Thereafter	29.16	29.58	30.01	30.43	30.86	31.71
T325	(S) TROUBLEMAN						
	1st 12 mos.	27.83	28.24	28.64	29.05	29.45	30.26
	Thereafter	29.16	29.58	30.01	30.43	30.86	31.71
TA12	SR CARPENTER						
T158	MOBILE CRANE & HVY EQUIP OPER						
T165	MAINT EQUIP SPECIALIST						
T259	REFINISHER						
T285	TOOL ROOM SPECIALIST						
T287	UTILITY MECHANIC						
T735	MOBILE CRANE & HVY EQUIP OPER						
T737	RECEIVING COORDINATOR	29.16	29.58	30.01	30.43	30.86	31.71
T131	INSULATOR						
	1st 12 mos.	21.93	22.25	22.57	22.89	23.21	23.84
	Next 12 mos.	23.88	24.22	24.57	24.92	25.27	25.96
	Next 12 mos.	25.33	25.70	26.07	26.43	26.80	27.54
	Next 12 mos.	26.75	27.14	27.53	27.92	28.31	29.09
	Thereafter	29.78	30.21	30.64	31.08	31.51	32.38
T1019	CONSTRUCTION JOURNEYMAN						
	1st 12 mos.	22.39	22.72	23.04	23.37	23.70	24.35
	Next 12 mos.	23.88	24.22	24.57	24.92	25.27	25.96
	Next 12 mos.	25.33	25.70	26.07	26.43	26.80	27.54
	Next 12 mos.	26.75	27.14	27.53	27.92	28.31	29.09
	Thereafter	29.78	30.21	30.64	31.08	31.51	32.38

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<u>JOB CODE</u>	<u>JOB TITLE</u>	<u>11/1/2003</u>	<u>11/1/2004</u>	<u>5/1/2005</u>	<u>11/1/2005</u>	<u>5/1/2006</u>	<u>11/1/2006</u>
T121	ELECTRICIAN						
T127	BOILER MECHANIC						
T129	WELDER 1/C						
T310	ELECTRICIAN (RELAY)						
T324	ELECTRICIAN (COMM)						
T331	ELECTRICIAN (I&C)						
T1004	CONTROL MECHANIC						
T1007	MACHINIST MECHANIC						
T1026	ELECTRICIAN						
	1st 12 mos.	26.75	27.14	27.53	27.92	28.31	29.09
	Thereafter	29.78	30.21	30.64	31.08	31.51	32.38
T227	ELECTRICIAN						
T298	WELDER/MACHINIST						
T311	PRIMARY INSPECTOR						
T1023	LEAD UTILITY MECHANIC	29.78	30.21	30.64	31.08	31.51	32.38
T149	(S) JR CONTROL OPERATOR	29.92	30.36	30.79	31.23	31.66	32.54
T229	LINEMAN						
T276	SUBSTATION ELECTRICIAN						
T288	CREW DISPATCHER						
	1st 12 mos.	27.83	28.24	28.64	29.05	29.45	30.26
	Thereafter	30.34	30.79	31.23	31.67	32.11	33.00
T309	SR METER ELECTRICIAN						
	1st 12 mos.	27.83	28.24	28.64	29.05	29.45	30.26
	Next 12 mos.	29.16	29.58	30.01	30.43	30.86	31.71
	Thereafter	30.34	30.79	31.23	31.67	32.11	33.00
TA04	CERT AUTOMOTIVE MECHANIC						
TA13	CERT WELDER/MACHINST						
T125	MACHINIST						
T137	CERT COMBINATION WELDER						
T174	SR ELECTRICIAN						
T175	PIPEFITTER MECHANIC						
T185	CERT EQUIPMENT MECHANIC						
T291	CABLE SPLICER						
T299	SR ELECTRICIAN						
T343	SR ELECTRICIAN (RELAY)						
T344	SR ELECTRICIAN (COMM)						
T345	SR ELECTRICIAN (I&C)						
T1005	SR CONTROL MECHANIC						
T1027	SR ELECTRICIAN	30.34	30.79	31.23	31.67	32.11	33.00
T1000	LEAD WAREHOUSE ATTENDANT	30.51	30.95	31.40	31.84	32.29	33.17
T314	TECHNICIAN (RELAY)						
T327	TECHNICIAN (COMM)						
T332	TECHNICIAN (I&C)						
T1006	CONTROL TECHNICIAN	30.83	31.28	31.73	32.17	32.62	33.52

HAWAIIAN ELECTRIC COMPANY, INC.
EXHIBIT A
(continued)

JOB CODE	JOB TITLE	11/1/2003	11/1/2004	5/1/2005	11/1/2005	5/1/2006	11/1/2006
CF19 C081	DRAFTING TECHNICIAN III DRAFTING TECHNICIAN III 1st 12 mos. Thereafter	29.92 30.93	30.36 31.38	30.79 31.83	31.23 32.28	31.66 32.73	32.54 33.63
T312	(S) PRIMARY TROUBLEMAN 1st 12 mos. Thereafter	30.34 30.93	30.79 31.38	31.23 31.83	31.67 32.28	32.11 32.73	33.00 33.63
T235 T237 T273	SR CABLE SPLICER T&D LINE INSPECTOR SUBSTATION INSPECTOR	30.93	31.38	31.83	32.28	32.73	33.63
T1024	CONSTRUCTION INSPECTOR 1st 12 mos. Thereafter	30.34 31.37	30.79 31.83	31.23 32.29	31.67 32.74	32.11 33.20	33.00 34.12
T154 T241 T268 T315 T1013 T1020	(S) CONTROL OPERATOR SUBSTATION TECHNICIAN AERIAL LINEMAN (S) TROUBLE DISPATCHER (S) SR PRIMARY TROUBLEMAN T&D PRE-ASSEMBLER	31.37	31.83	32.29	32.74	33.20	34.12
TA01	LEAD CABLE SPLICER	31.95	32.42	32.88	33.35	33.81	34.74
CA77	DESIGN PLANNER 1st 9 mos. Next 9 mos. Thereafter	29.50 31.13 32.77	29.93 31.58 33.25	30.36 32.03 33.73	30.79 32.49 34.21	31.22 32.94 34.68	32.08 33.85 35.64
CA07 CF20	DESIGN DRAFTING TECH DESIGN DRAFTING TECH 1st 12 mos. Thereafter	31.84 32.77	32.30 33.25	32.76 33.73	33.23 34.21	33.69 34.68	34.62 35.64
F155 F248 F338 F713 F736 F737 F738 T316	WORKING FOREMAN WORKING FORMAN WORKING FOREMAN WORKING FOREMAN (STORES) WORKING FOREMAN (CONSTR) WORKING FOREMAN WORKING FOREMAN (S) LOAD DISPATCHER	32.80	33.27	33.75	34.23	34.71	35.66
F249	FOREMAN	34.87	35.37	35.88	36.39	36.90	37.91

EXHIBIT A
(Continued)

T168	APPRENTICE MACHINIST MECHANIC
T169	APPRENTICE BOILER MECHANIC
T170	APPRENTICE MAINTENANCE ELECTRICIAN
T171	APPRENTICE CONTROL MECHANIC
T245	APPRENTICE MECHANIC
T246	APPRENTICE ELECTRICAL MECHANIC
T261	APPRENTICE AUTOMOTIVE MECHANIC
T295	APPRENTICE SUBSTATION ELECTRICIAN
T318	APPRENTICE TROUBLEMAN
T800	APPRENTICE HYDRAULIC MECHANIC
T802	APPRENTICE RELAY ELECTRICIAN
T803	APPRENTICE METER ELECTRICIAN

Wage rates for apprentices listed above shall be in accordance with the following schedule, which is based on percentages of the respective Journeyman's rate:

<u>Hours</u>	<u>Percentage</u>
First 1000 hours	69%
1001 to 2000 hours	73%
2001 to 3000 hours	76%
3001 to 4000 hours	79%
4001 to 5000 hours	82%
5001 to 6000 hours	85%

Wage rates for T242, Apprentice Lineman shall be in accordance with the following schedule, which is based on the Journeyman rate:

<u>Hours</u>	<u>Percentage</u>
1 to 480 hours	69%
481 to 2000 hours	73%
2001 to 3000 hours	76%
3001 to 4000 hours	79%
4001 to 4840 hours	82%
4841 to 6000 hours	85%

EXHIBIT A
(Continued)

Progression within a classification will depend upon satisfactory performance in the job. If an employee fails to meet the established requirements, the employee may be held at the employee's existing wage rate until qualified for progression. Additional time spent to qualify will not be deductible in subsequent steps.

Where more than one rate is shown for a classification, the grade designation is for the end rate.

Job classifications designated by letter (S) are for rotating shift jobs. These classifications will receive, in addition to their base rates, a percentage based on the average of the Power Supply Operations & Maintenance Department's Equipment Operator, Utility Operator, Junior Control Operator and Control Operator rates as follows:

3% if any of the scheduled hours fall between 6:00 p.m. and midnight. 3-1/2% if any of the scheduled hours fall between midnight and 6:00 a.m.

In addition, these classifications will receive 4% for the Sunday shifts. These differentials shall be added to the straight time rate of pay in computing premium pay for hours worked.

When a bargaining unit employee is temporarily assigned to replace a non-bargaining unit employee of a higher classification, the employee shall be paid the employee's regular rate plus 5% (10% if the job involves supervision) for the total period of the temporary assignment.

EXHIBIT B-1

ASSIGNMENT OF WAGES TO COVER UNION DUES AND INITIATION FEE

TO: Hawaiian Electric Company, Inc.

I hereby assign to I.B.E.W., Local 1260, and authorize you to take out of my wages the prescribed dollar amount per month and the amount to be deducted shall be the amount specified in the approved local union by-laws for initiation fee, dues, assessments, and pension and insurance premiums as certified to you in writing by the Union, and I direct you to pay over to the Union each month the amount so deducted.

This authorization shall become effective upon the date set forth below and cannot be cancelled for a period of one year from this date or until the termination of the existing collective bargaining agreement between the Company and the Union, whichever occurs sooner.

I agree and direct that this authorization shall be irrevocable for successive periods of one year each or for the period of each succeeding applicable collective bargaining agreement between the Company and the Union, whichever shall be shorter unless

- (1) I cancel this authorization by written notice to the Company within ten days after the expiration of any such one year period; or*
- (2) In case of the expiration of any applicable collective bargaining agreement between the Company and the Union during any such one year period, I cancel this authorization by written notice to the Company at any time during the period following the expiration of the applicable collective bargaining agreement and ten days after the effective date of any new agreement.*

This authorization shall be suspended during any period to which there is no collective bargaining agreement in effect between the Company and the Union.

This authorization shall end if my employment with the Company ends or when the collective bargaining agreement referred to above no longer cover my employment.

This authorization is made pursuant to the provisions of Section 302(c) of the Labor-Management Relations Act of 1947.

All previous Assignments of Wages executed by me are hereby cancelled and superseded by this authorization.

Dated _____

Employee *Employee Number*

Witness

The foregoing is hereby accepted:

Date _____

By _____

Hawaiian Electric Company, Inc.

EXHIBIT B-2

HAWAIIAN ELECTRIC COMPANY, INC.

ASSIGNMENT OF WAGES FOR UNION'S
NEGOTIATIONS AND ADMINISTRATION
OF CONTRACT

I hereby assign to I.B.E.W., Local 1260, out of my wages for the Union's Negotiations and Administration of the collective bargaining agreement on my behalf, a service fee in the same amount equal to monthly Union dues, as certified to you in writing by the Union, and I authorize the payment to the Union each month the amount so deducted.

This authorization shall become effective on the date set forth below.

This authorization shall be suspended during any period in which there is no collective bargaining agreement in effect between the Company and the Union. This authorization shall end if my employment with the Company ends, or when I cease to be employed in a capacity represented by the bargaining unit.

Date

Employee's Name

Employee Number

2007 CONTRACT EXTENSION
HECo/HELCo/MECo – IBEW Local 1260

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement, between Hawaiian Electric Company, Inc. and its subsidiaries Hawaii Electric Light Company, Inc. and Maui Electric Company, Ltd. and the International Brotherhood of Electrical Workers AFL-CIO, Local Union 1260, constitutes settlement of a three year extension of the collective bargaining agreement between the parties which were concluded on January 23, 2008.

The agreement reached is as follows:


- Effective 11/1/2007 – 3.5% wage increase;
Effective 1/1/2009 – 4.0% wage increase;
Effective 1/1/2010 – 4.5% wage increase.
- See attached memorandum of agreements.

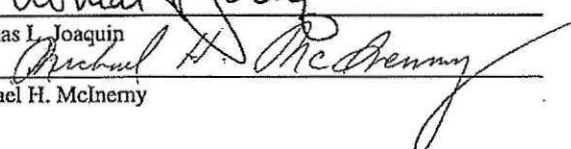
The present collective bargaining agreement will hereby expire on 10/31/2010.

- This agreement was contingent on acceptance and ratification. Rejection of this offer would have in effect rendered the offer null and void. Ratification came on March 1, 2008 by majority vote of HECO, MECO and HELCO union employees and members of IBEW Local 1260.
- The effect of this agreement shall only affect employees on payroll as of the date of ratification of the contract and subject to the terms and conditions contained therein.

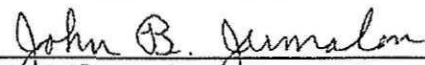
IN WITNESS WHEREOF the parties hereto, through their duly authorized representatives, have executed this agreement effective November 1, 2007.


HAWAIIAN ELECTRIC COMPANY, INC.
HAWAII ELECTRIC LIGHT COMPANY, INC.
MAUI ELECTRIC COMPANY, LTD.


Thomas L. Joaquin



Michael H. McNemy


LOCAL UNION 1260 of the
INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS AFL-CIO

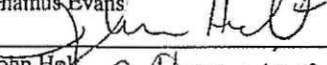

John B. Jurnalon

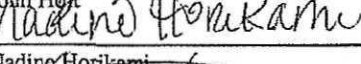

Roy S. Franco

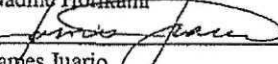

Keola N. Jimeno

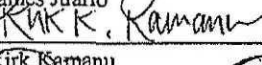

Loren Taguchi

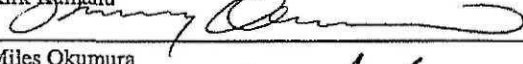

Shamus Evans

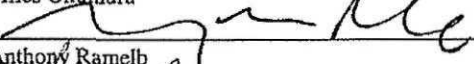

John Holt


Nadine Horikami


James Juorio


Kirk K. Kamanu


Miles Okumura


Anthony Ramelb


Scott Robertson

2007 CONTRACT EXTENSION
HECO/HELCo/MECo – IBEW Local 1260

BENEFIT AGREEMENT

The Company and the Union agree to extend the current Benefit Agreement ending October 31, 2007, to terminate October 31, 2010, with no changes.

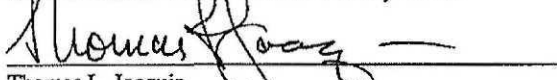
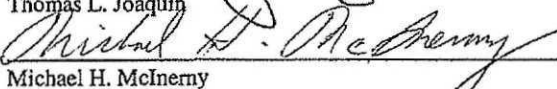
Medical and Drug Plan provisions effective January 1, 2008, as described in Section 2 - Medical Plans and Section 3 - Drug Plan will remain in effect for January 1, 2009 – December 31, 2011.

Vision and Dental Plan provisions described in Section 4 – Vision Plan and Section 5 – Dental Plan in effect for January 1, 2008, will remain in effect for January 1, 2009 – December 31, 2011.

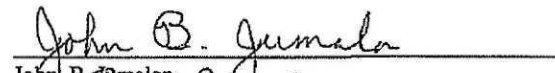
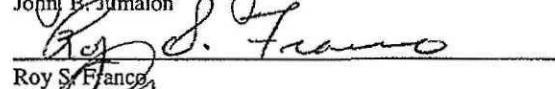

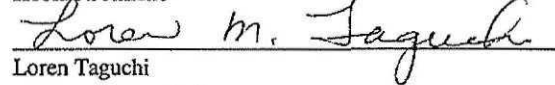

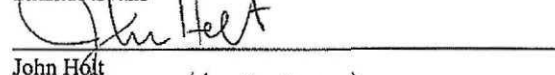
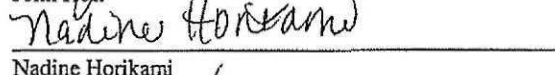
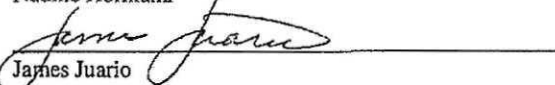
Flex Prices for health plans for January 1, 2009 – December 31, 2011, included in Item 3 of Section 10 - FlexPlan will be remain the same as January 1, 2008.

IN WITNESS WHEREOF the parties hereto, through their duly authorized representatives, have executed this agreement effective November 1, 2007.

HAWAIIAN ELECTRIC COMPANY, INC.
HAWAII ELECTRIC LIGHT COMPANY, INC.
MAUI ELECTRIC COMPANY, LTD.


Thomas L. Joaquin

Michael H. McInerney

LOCAL UNION 1260 of the
INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS AFL-CIO


John B. Jumalon

Roy S. Franco

Keola N. Jimeno

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James Juario

Kirk K. Kamann

Kirk Kamann

Miles Okumura

Miles Okumura

Anthony Ramelb

Anthony Ramelb

Scott Robertson

Scott Robertson

MEMORANDUM OF AGREEMENT

It is agreed the following interpretation will prevail for the following work rules.

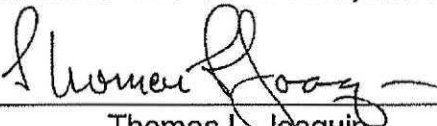
Meals

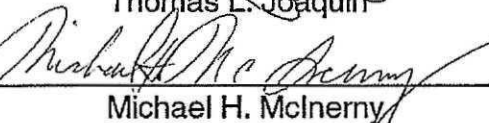
Meals will be paid on an ongoing basis throughout the day according to the specified contractual time frame during periods of overtime. This will supersede all past practices at the various base yards.

- Meals will continue into the normal schedule at every 5 hours thereafter.
- The mid-shift meal and late lunch penalty will not apply.

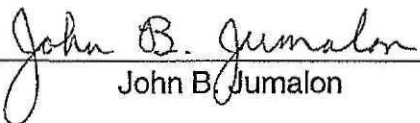
IN WITNESS WHEREOF the parties hereto, through their duly authorized representatives, have executed this agreement effective March 1, 2008.

**HAWAIIAN ELECTRIC COMPANY, INC.
HAWAII ELECTRIC LIGHT COMPANY, INC.
MAUI ELECTRIC COMPANY, LTD.**

By 
Thomas L. Joaquin

By 
Michael H. McNerny

**LOCAL UNION 1260 of the
INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS AFL-CIO**

By 
John B. Jumalon

MEMORANDUM OF AGREEMENT

It is agreed the following interpretation will prevail for the following work rules.

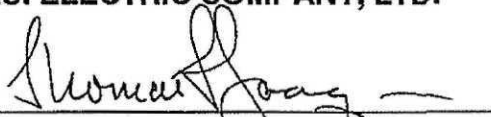
4/10 Work Schedule

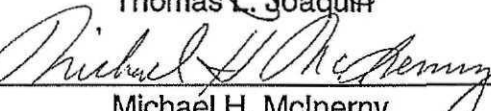
It is agreed all hours of work bridging into an employee's day off on 4/10 shifts will be paid the appropriate premium associated with that day. This premium is not to be confused with overtime which only affects pay for time over an 8 hour work day or a 10 hour work day.

- This shall only apply to non-shift workers.
- Non-overtime related Double-time shall only be paid for hours worked on Sunday.

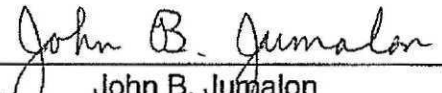
IN WITNESS WHEREOF the parties hereto, through their duly authorized representatives, have executed this agreement effective March 1, 2008.

**HAWAIIAN ELECTRIC COMPANY, INC.
HAWAII ELECTRIC LIGHT COMPANY, INC.
MAUI ELECTRIC COMPANY, LTD.**

By 
Thomas L. Joaquin

By 
Michael H. McNerny

**LOCAL UNION 1260 of the
INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS AFL-CIO**

By 
John B. Jumalon

MEMORANDUM OF AGREEMENT

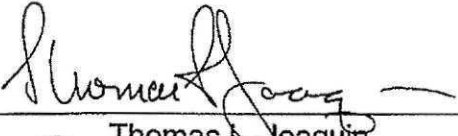
It is agreed, as discussed in the 2007/08 negotiations, the Company (Hawaiian Electric Company, Inc.) and the Union (IBEW-Local Union 1260) will form a committee designated as a Lineman Wage Research Committee. Said committee will ascertain standards in the industry and make recommendations respectively with regards to future wage increase considerations based on economic and regional factors associated with our business.

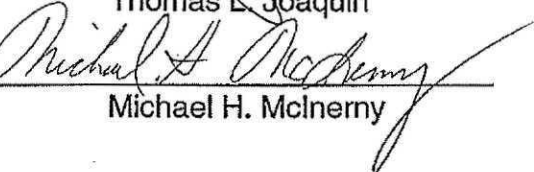
The Committee will be comprised of union members and management employees not to exceed five for each side. Meetings will be held to discuss the details of the committee and the method and terms of how it will carry out its business.

The recommendations and results although not contractually binding shall serve the purpose of discovery and education regarding the economic considerations of lineman wages and additional costs related to the union contract. Such recommendation will be given fair considerations by all parties regardless of affiliation.

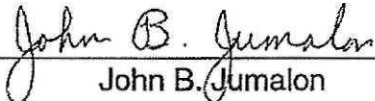
IN WITNESS WHEREOF the parties hereto, through their duly authorized representatives, have executed this agreement effective March 1, 2008.

HAWAIIAN ELECTRIC COMPANY, INC.

By 
Thomas L. Joaquin

By 
Michael H. McNerny

**LOCAL UNION 1260 of the
INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS AFL-CIO**

By 
John B. Jumalon

AMENDMENT TO AGREEMENT

between

HAWAIIAN ELECTRIC COMPANY, INC.

and

LOCAL 1260
OF THE
INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS
AFL-CIO

EXHIBIT A
CLASSIFICATION AND WAGE RATES

Effective Date: November 1, 2007
Terminates: October 31, 2010

HAWAIIAN ELECTRIC COMPANY, INC.
EXHIBIT A
(continued)

<u>JOB CODE</u>	<u>JOB TITLE</u>	<u>11/1/2007</u>	<u>1/1/2009</u>	<u>1/1/2010</u>
CL737	MAIL CLERK			
	1st 6 mos.	10.07	10.46	10.90
	Next 6 mos.	10.60	11.01	11.47
	Next 6 mos.	11.10	11.52	12.01
	Thereafter	11.65	12.10	12.61
CL01	CLERK TYPIST I			
	1st 6 mos.	11.10	11.52	12.01
	Next 6 mos.	11.65	12.10	12.61
	Next 6 mos.	12.20	12.67	13.20
	Thereafter	12.79	13.29	13.84
TL14	CONSTRUCTION HELPER			
	1st 6 mos.	12.50	12.99	13.53
	Thereafter	13.13	13.64	14.21
TL204	SERVICE STATION ATTENDANT			
TL704	MAIL DRIVER			
	1st 6 mos.	11.65	12.10	12.61
	Next 6 mos.	12.20	12.67	13.20
	Next 6 mos.	12.79	13.29	13.84
	Thereafter	13.43	13.95	14.54
CL635	PRINTER I			
	1st 6 mos.	12.79	13.29	13.84
	Next 6 mos.	13.43	13.95	14.54
	Thereafter	14.10	14.64	15.25
TL258	AUTO POOL ATTENDANT I			
	1st 6 mos.	12.79	13.29	13.84
	Next 6 mos.	13.43	13.95	14.54
	Next 6 mos.	14.10	14.64	15.25
	Thereafter	14.80	15.37	16.02
CL02	CLERK TYPIST II			
	1st 6 mos.	13.43	13.95	14.54
	Next 6 mos.	14.10	14.64	15.25
	Next 6 mos.	14.80	15.37	16.02
	Next 6 mos.	15.49	16.09	16.77
	Thereafter	16.30	16.93	17.64
TL08	HELPER 1/C			
TL17	MAINTENANCE HELPER			
	1st 3 mos.	13.13	13.64	14.21
	Next 3 mos.	13.78	14.31	14.91
	Next 6 mos.	14.45	15.01	15.64
	Next 6 mos.	15.16	15.75	16.41
	Next 6 mos.	15.91	16.52	17.21
	Thereafter	16.68	17.33	18.05

HAWAIIAN ELECTRIC COMPANY, INC.
EXHIBIT A
(continued)

<u>JOB CODE</u>	<u>JOB TITLE</u>	<u>11/1/2007</u>	<u>1/1/2009</u>	<u>1/1/2010</u>
CL05	ACCOUNT SERVICES CLERK I			
CL713	TELEPHONE OPER/RECEPTIONIST			
	1st 6 mos.	13.43	13.95	14.54
	Next 6 mos.	14.10	14.64	15.25
	Next 6 mos.	14.80	15.37	16.02
	Next 6 mos.	15.49	16.09	16.77
	Next 6 mos.	16.30	16.93	17.64
	Thereafter	17.11	17.77	18.51
TL15	CUSTODIAN I			
	1st 3 mos	12.79	13.29	13.84
	Next 3 mos	13.43	13.95	14.54
	Next 3 mos	14.10	14.64	15.25
	Next 3 mos	14.80	15.37	16.02
	Next 6 mos.	15.49	16.09	16.77
	Next 6 mos.	16.30	16.93	17.64
	Thereafter	17.11	17.77	18.51
CL667	PRINTER II			
CL748	MAIL MACHINE OPERATOR			
CL750	SENIOR MAIL CLERK			
	1st 3 mos.	14.45	15.01	15.64
	Next 3 mos.	15.16	15.75	16.41
	Next 3 mos.	15.91	16.52	17.21
	Next 6 mos.	16.68	17.33	18.05
	Next 6 mos.	17.50	18.18	18.94
	Thereafter	18.37	19.08	19.88
CL04	ACCOUNTING CLERK II			
CL19	CLAIMS CLERK			
	1st 6 mos.	15.16	15.75	16.41
	Next 6 mos.	15.91	16.52	17.21
	Next 6 mos.	16.68	17.33	18.05
	Next 6 mos.	17.50	18.18	18.94
	Thereafter	18.37	19.08	19.88
CLC16	WORD PROCESSING OPERATOR			
	1st 3 mos.	14.80	15.37	16.02
	Next 3 mos.	15.49	16.09	16.77
	Next 3 mos.	16.30	16.93	17.64
	Next 6 mos.	17.11	17.77	18.51
	Next 6 mos.	17.95	18.64	19.42
	Thereafter	18.82	19.54	20.36
CLC01	INFO STORAGE EQUIP OPER			
	1st 3 mos.	15.91	16.52	17.21
	Next 3 mos.	17.50	18.18	18.94
	Next 6 mos.	18.37	19.08	19.88
	Thereafter	19.31	20.06	20.90

HAWAIIAN ELECTRIC COMPANY, INC.
EXHIBIT A
(continued)

<u>JOB CODE</u>	<u>JOB TITLE</u>	<u>11/1/2007</u>	<u>1/1/2009</u>	<u>1/1/2010</u>
TL260	TIRE REPAIRER			
	1st 6 mos.	15.91	16.52	17.21
	Next 6 mos.	17.50	18.18	18.94
	Next 6 mos.	18.37	19.08	19.88
	Thereafter	19.31	20.06	20.90
CL03	CLERK TYPIST III			
	1st 6 mos.	15.49	16.09	16.77
	Next 6 mos.	16.30	16.93	17.64
	Next 6 mos.	17.11	17.77	18.51
	Next 6 mos.	17.95	18.64	19.42
	Next 6 mos.	18.82	19.54	20.36
	Thereafter	19.74	20.50	21.36
T105	(S) OPERATOR TRAINEE	20.20	20.98	21.86
TL09	SENIOR HELPER			
	1st 3 mos.	15.91	16.52	17.21
	Next 3 mos.	16.68	17.33	18.05
	Next 6 mos.	17.50	18.18	18.94
	Next 6 mos.	18.37	19.08	19.88
	Next 6 mos.	19.31	20.06	20.90
	Thereafter	20.24	21.03	21.91
TL16	CUSTODIAN II			
	1st 3 mos.	17.95	18.64	19.42
	Next 3 mos.	18.82	19.54	20.36
	Next 6 mos.	19.74	20.50	21.36
	Thereafter	20.73	21.53	22.43
CL09	ACCOUNTING CLERK III			
CL720	PURCHASING CLERK I			
CL1007	ACCOUNT SERVICES CLERK II			
	1st 3 mos.	16.68	17.33	18.05
	Next 3 mos.	17.50	18.18	18.94
	Next 3 mos.	18.37	19.08	19.88
	Next 6 mos.	19.31	20.06	20.90
	Next 6 mos.	20.24	21.03	21.91
	Thereafter	21.24	22.06	22.98
CL11	DRAWING CONTROL CLERK			
	1st 6 mos.	16.68	17.33	18.05
	Next 6 mos.	17.50	18.18	18.94
	Next 6 mos.	18.37	19.08	19.88
	Next 6 mos.	19.31	20.06	20.90
	Next 6 mos.	20.24	21.03	21.91
	Thereafter	21.24	22.06	22.98
TL296	MECHANIC HELPER			
	1st 3 mos.	16.30	16.93	17.64
	Next 3 mos.	17.11	17.77	18.51
	Next 6 mos.	18.82	19.54	20.36
	Next 6 mos.	19.74	20.50	21.36
	Next 6 mos.	20.73	21.53	22.43
	Thereafter	21.77	22.61	23.55

HAWAIIAN ELECTRIC COMPANY, INC.
EXHIBIT A
(continued)

<u>JOB CODE</u>	<u>JOB TITLE</u>	<u>11/1/2007</u>	<u>1/1/2009</u>	<u>1/1/2010</u>
CLG05	METER READING CLERK			
	1st 3 mos.	17.11	17.77	18.51
	Next 3 mos.	17.95	18.64	19.42
	Next 3 mos.	18.82	19.54	20.36
	Next 6 mos.	19.74	20.50	21.36
	Next 6 mos.	20.73	21.53	22.43
	Thereafter	21.77	22.61	23.55
TL285	FACILITY OPERATIONS MECHANIC			
	1st 3 mos.	17.95	18.64	19.42
	Next 3 mos.	18.82	19.54	20.36
	Next 6 mos.	19.74	20.50	21.36
	Next 6 mos.	20.73	21.53	22.43
	Thereafter	21.77	22.61	23.55
CL829	CASHIER			
	1st 3 mos.	17.56	18.24	19.01
	Next 3 mos.	18.37	19.08	19.88
	Next 3 mos.	19.31	20.06	20.90
	Next 6 mos.	20.24	21.03	21.91
	Next 6 mos.	21.24	22.06	22.98
	Thereafter	22.28	23.14	24.11
CLC05	SR INFO STORAGE EQUIP OPER			
CL18	SYSTEM OPERATION CLERK			
CL104	POWER PLANT CLERK			
CL257	MOTOR FLEET CLERK			
CL328	METER CLERK			
CL604	PRINTER III			
CL684	COMPUTER SYSTEMS OPER TRAINEE			
	1st 3 mos.	17.95	18.64	19.42
	Next 3 mos.	18.82	19.54	20.36
	Next 3 mos.	19.74	20.50	21.36
	Next 6 mos.	20.73	21.53	22.43
	Next 6 mos.	21.77	22.61	23.55
	Thereafter	22.81	23.69	24.68
TL180	CONDENSER CLEANER			
	1st 6 mos.	19.74	20.50	21.36
	Next 6 mos.	20.73	21.53	22.43
	Next 6 mos.	21.77	22.61	23.55
	Thereafter	22.81	23.69	24.68
CLA49	PROJECT CLERK			
CLA81	STANDARDS CLERK			
CL12	JOINT POLE AIDE			
CL13	PROJECT CLERK			
CL15	FIELD SERVICE CLERK			
	1st 3 mos.	18.37	19.08	19.88
	Next 3 mos.	19.31	20.06	20.90
	Next 3 mos.	20.24	21.03	21.91
	Next 6 mos.	21.24	22.06	22.98
	Next 6 mos.	22.28	23.14	24.11
	Thereafter	23.41	24.32	25.33

HAWAIIAN ELECTRIC COMPANY, INC.
EXHIBIT A
(continued)

<u>JOB CODE</u>	<u>JOB TITLE</u>	<u>11/1/2007</u>	<u>1/1/2009</u>	<u>1/1/2010</u>
T335	TRUCK DRIVER A	23.44	24.35	25.37
CL406	METER READER			
	1st 3 mos.	17.95	18.64	19.42
	Next 3 mos.	18.82	19.54	20.36
	Next 6 mos.	20.73	21.53	22.43
	Next 6 mos.	21.77	22.61	23.55
	Next 6 mos.	22.81	23.69	24.68
	Thereafter	23.96	24.89	25.93
CL1013	INVOICE PAYMENT CLERK			
CLD31	SR WORD PROCESSING OPERATOR			
CL17	FUELS RECORDS CLERK			
	1st 3 mos.	19.31	20.06	20.90
	Next 3 mos.	20.24	21.03	21.91
	Next 3 mos.	21.24	22.06	22.98
	Next 6 mos.	22.28	23.14	24.11
	Next 6 mos.	23.41	24.32	25.33
	Thereafter	24.56	25.51	26.58
CL1011	PURCHASING CLERK			
	1st 3 mos.	20.24	21.03	21.91
	Next 3 mos.	21.24	22.06	22.98
	Next 6 mos.	22.28	23.14	24.11
	Next 6 mos.	23.41	24.32	25.33
	Thereafter	24.56	25.51	26.58
CL06	CONSTRUCTION & MAINTENANCE DIVISION CLERK			
	1st 3 mos.	21.24	22.06	22.98
	Next 6 mos.	22.28	23.14	24.11
	Next 6 mos.	23.41	24.32	25.33
	Thereafter	24.56	25.51	26.58
T336	TRUCK DRIVER B	25.20	26.18	27.27
CA33	PLANNING & DESIGN AIDE			
CL012	SURVEY HELPER - ROD			
	1st 3 mos.	19.74	20.50	21.36
	Next 3 mos.	20.73	21.53	22.43
	Next 6 mos.	21.77	22.61	23.55
	Next 6 mos.	22.78	23.66	24.65
	Next 6 mos.	24.04	24.97	26.02
	Thereafter	25.32	26.29	27.40
TL286	FACILITY OPERATIONS LEAD MECHANIC			
	1st 3 mos.	22.78	23.66	24.65
	Next 3 mos.	24.04	24.97	26.02
	Next 6 mos.	25.32	26.29	27.40
	Thereafter	25.78	26.78	27.90

HAWAIIAN ELECTRIC COMPANY, INC.
EXHIBIT A
(continued)

<u>JOB CODE</u>	<u>JOB TITLE</u>	<u>11/1/2007</u>	<u>1/1/2009</u>	<u>1/1/2010</u>
TA08	UTILITY ASSISTANT			
TL215	UTILITY ASSISTANT			
T1011	UTILITY ASSISTANT			
	1st 12 mos.	25.20	26.18	27.27
	Thereafter	25.78	26.78	27.90
T337	TRUCK DRIVER C	25.78	26.78	27.90
T734	EQUIPMENT OPERATOR	26.54	27.56	28.72
T1021	STORES ATTENDANT			
	1st 3 mos.	14.45	15.01	15.64
	Next 3 mos.	15.91	16.52	17.21
	Next 6 mos.	17.50	18.18	18.94
	Next 6 mos.	19.31	20.06	20.90
	Next 6 mos.	21.24	22.06	22.98
	Next 6 mos.	23.41	24.32	25.33
	Next 6 mos.	25.78	26.78	27.90
	Thereafter	26.54	27.56	28.72
T1028	TRUCK DRIVER I			
	1st 12 mos.	25.78	26.78	27.90
	Thereafter	26.54	27.56	28.72
C883	RISK MANAGEMENT CLERK			
C1021	PAYMENT PROCESSING CLERK			
C1024	RECEIVING & FREIGHT CLERK			
C1025	JR DRAFTER			
T178	FIRE EQUIP INSP & RPR			
	1st 3 mos.	21.12	21.94	22.86
	Next 3 mos.	22.11	22.96	23.92
	Next 3 mos.	23.20	24.10	25.11
	Next 6 mos.	24.36	25.31	26.36
	Next 6 mos.	25.60	26.58	27.70
	Thereafter	26.87	27.91	29.08
CA09	TECHNICAL CLERK			
CD02	SAFETY AIDE			
C522	CONS ADV SERVICE CLERK			
C685	COMPUTER SYS OPERATOR			
	1st 9 mos.	24.18	25.11	26.16
	Next 9 mos.	25.51	26.50	27.61
	Thereafter	26.87	27.91	29.08
TA22	AUTO PARTS ATTENDANT			
	1st 6 mos.	23.66	24.57	25.60
	Next 6 mos.	24.85	25.81	26.89
	Next 6 mos.	26.09	27.10	28.24
	Thereafter	27.42	28.48	29.67
T224	UTILITY MECHANIC			
T732	SR WHSE ATTENDANT	27.42	28.48	29.67

HAWAIIAN ELECTRIC COMPANY, INC.
EXHIBIT A
(continued)

<u>JOB CODE</u>	<u>JOB TITLE</u>	<u>11/1/2007</u>	<u>1/1/2009</u>	<u>1/1/2010</u>
C369	ELECTRIC FACILITIES MANAGEMENT SYSTEM (EFMS) TECHNICIAN			
	1st 6 mos.	22.00	22.85	23.81
	Next 6 mos.	23.38	24.28	25.30
	Next 6 mos.	24.74	25.69	26.77
	Next 6 mos.	26.10	27.11	28.25
	Thereafter	27.50	28.56	29.76
CA38	JR CUSTOMER PLANNER			
	1st 9 mos.	24.74	25.69	26.77
	Next 6 mos.	26.10	27.11	28.25
	Thereafter	27.50	28.56	29.76
T114	(S) EQUIPMENT OPERATOR			
T286	TRUCK DRIVER II	27.85	28.93	30.14
CC04	JOB ACCOUNTING CLERK			
	1st 6 mos.	24.02	24.95	26.00
	Next 6 mos.	25.42	26.40	27.51
	Next 6 mos.	26.85	27.89	29.05
	Thereafter	28.27	29.36	30.59
CA02	CUSTOMER CLERK			
C614	ACCOUNTS PAYABLE & DISB CLK			
C646	PLANT ACCOUNTING CLERK			
C811	CUSTOMER FIELD REPRESENTATIVE			
C1019	MATERIAL COORDINATOR (T&D)			
C1020	CAPITAL BUDGETS AIDE			
	1st 3 mos.	21.20	22.02	22.94
	Next 3 mos.	22.59	23.47	24.45
	Next 3 mos.	24.02	24.95	26.00
	Next 6 mos.	25.42	26.40	27.51
	Next 6 mos.	26.85	27.89	29.05
	Thereafter	28.27	29.36	30.59
C619	CUSTOMER BILLING REPR			
C699	SR PRESS OPERATOR			
C810	CUSTOMER ACCOUNT SERVICES CLERK			
	1st 9 mos.	25.42	26.40	27.51
	Next 9 mos.	26.85	27.89	29.05
	Thereafter	28.27	29.36	30.59
CA44	DRAFTING TECHNICIAN I			
	1st 6 mos.	27.63	28.70	29.90
	Thereafter	29.09	30.22	31.48
T217	PAINTER			
	1st 12 mos.	24.67	25.63	26.70
	Next 12 mos.	27.07	28.11	29.29
	Next 12 mos.	28.59	29.69	30.93
	Thereafter	30.11	31.27	32.58

HAWAIIAN ELECTRIC COMPANY, INC.
EXHIBIT A
(continued)

<u>JOB CODE</u>	<u>JOB TITLE</u>	<u>11/1/2007</u>	<u>1/1/2009</u>	<u>1/1/2010</u>
CA18	EXPEDITER			
CA31	STATISTICAL CLERK			
C365	ENGRG OPERATIONS CLERK			
C1003	JOINT POLE COORDINATOR			
	1st 9 mos.	27.07	28.11	29.29
	Next 9 mos.	28.59	29.69	30.93
	Thereafter	30.11	31.27	32.58
C860	CUSTOMER ASSISTANCE REPR			
	1st 3 mos.	23.38	24.28	25.30
	Next 3 mos.	24.55	25.50	26.57
	Next 3 mos.	25.77	26.77	27.89
	Next 6 mos.	27.07	28.11	29.29
	Next 6 mos.	28.59	29.69	30.93
	Thereafter	30.11	31.27	32.58
C418	SR CUSTOMER FIELD INVESTIGATOR			
C420	SR CUSTOMER BILLING REPR			
	1st 9 mos.	27.72	28.79	29.99
	Next 9 mos.	29.28	30.41	31.68
	Thereafter	30.80	31.99	33.33
T219	CARPENTER			
	1st 12 mos.	24.67	25.63	26.70
	Next 12 mos.	26.87	27.91	29.08
	Next 12 mos.	29.36	30.50	31.77
	Thereafter	31.32	32.53	33.89
T221	MECHANIC			
T223	ELECTRICAL MECHANIC			
T263	AUTOMOTIVE MECHANIC			
	1st 12 mos.	29.36	30.50	31.77
	Thereafter	31.32	32.53	33.89
TA11	SR PAINTER			
T135	(S) UTILITY OPERATOR			
T173	MAINT EQUIP MECHANIC			
T236	DISTR LINE INSPECTOR			
T308	INSPECTOR			
T1015	SR FIRE EQUIP INSP & RPR	31.32	32.53	33.89
C461	LEAD CUSTOMER ASSISTANCE REPR			
C622	SR COMPUTER SYSTEMS OPER			
C1022	LEAD PYMNT PROC & SUPP CTR CLK			
	1st 9 mos.	28.59	29.69	30.93
	Next 9 mos.	30.20	31.37	32.68
	Thereafter	31.76	32.99	34.37
C013	CUSTOMER PLANNER			
	1st 9 mos.	28.69	29.80	31.05
	Next 9 mos.	30.25	31.42	32.74
	Thereafter	31.87	33.10	34.48

HAWAIIAN ELECTRIC COMPANY, INC.
EXHIBIT A
(continued)

<u>JOB CODE</u>	<u>JOB TITLE</u>	<u>11/1/2007</u>	<u>1/1/2009</u>	<u>1/1/2010</u>
C026	TRANSIT TECHNICIAN			
C1009	SR ELECTRIC FACILITIES MANAGEMENT SYSTEM (EFMS) TECHNICIAN			
	1st 9 mos.	29.49	30.63	31.91
	Next 9 mos.	31.16	32.37	33.72
	Thereafter	32.77	34.03	35.46
CA15	DRAFTING TECH II			
C1012	DRAFTING TECH II			
	1st 12 mos.	29.83	30.98	32.28
	Next 12 mos.	30.73	31.92	33.25
	Next 12 mos.	31.72	32.95	34.33
	Thereafter	32.77	34.03	35.46
T1008	TOOL ROOM UTILITY MECHANIC			
	1st 12 mos.	30.11	31.27	32.58
	Thereafter	32.82	34.09	35.52
T325	(S) TROUBLEMAN			
	1st 12 mos.	31.32	32.53	33.89
	Thereafter	32.82	34.09	35.52
TA12	SR CARPENTER			
T158	MOBILE CRANE & HVY EQUIP OPER			
T165	MAINT EQUIP SPECIALIST			
T259	REFINISHER			
T285	TOOL ROOM SPECIALIST			
T287	UTILITY MECHANIC			
T735	MOBILE CRANE & HVY EQUIP OPER			
T737	RECEIVING COORDINATOR	32.82	34.09	35.52
T131	INSULATOR			
	1st 12 mos.	24.67	25.63	26.70
	Next 12 mos.	26.87	27.91	29.08
	Next 12 mos.	28.50	29.61	30.84
	Next 12 mos.	30.11	31.27	32.58
	Thereafter	33.51	34.81	36.27
T1019	CONSTRUCTION JOURNEYMAN			
	1st 12 mos.	25.20	26.18	27.27
	Next 12 mos.	26.87	27.91	29.08
	Next 12 mos.	28.50	29.61	30.84
	Next 12 mos.	30.11	31.27	32.58
	Thereafter	33.51	34.81	36.27
T121	ELECTRICIAN			
T127	BOILER MECHANIC			
T129	WELDER 1/C			
T227	ELECTRICIAN			
T310	ELECTRICIAN (RELAY)			
T324	ELECTRICIAN (COMM)			
T331	ELECTRICIAN (I&C)			
T1004	CONTROL MECHANIC			
T1007	MACHINIST MECHANIC			
T1026	ELECTRICIAN			
	1st 12 mos.	30.11	31.27	32.58
	Thereafter	33.51	34.81	36.27

HAWAIIAN ELECTRIC COMPANY, INC.
EXHIBIT A
(continued)

<u>JOB CODE</u>	<u>JOB TITLE</u>	<u>11/1/2007</u>	<u>1/1/2009</u>	<u>1/1/2010</u>
T298	WELDER/MACHINIST			
T311	PRIMARY INSPECTOR			
T1023	LEAD UTILITY MECHANIC	33.51	34.81	36.27
T149	(S) JR CONTROL OPERATOR	33.68	34.98	36.44
T276	SUBSTATION ELECTRICIAN			
	1st 3 mos.	23.57	24.48	25.50
	Next 3 mos.	24.93	25.90	26.98
	Next 3 mos.	25.96	26.96	28.09
	Next 6 mos.	26.98	28.03	29.20
	Next 6 mos.	28.01	29.09	30.31
	Next 6 mos.	29.03	30.15	31.42
	Next 12 mos.	31.32	32.53	33.89
	Thereafter	34.16	35.48	36.96
T229	LINEMAN			
T288	CREW DISPATCHER			
	1st 12 mos.	31.32	32.53	33.89
	Thereafter	34.16	35.48	36.96
T309	SR METER ELECTRICIAN			
	1st 6 mos.	28.01	29.09	30.31
	Next 6 mos.	29.03	30.15	31.42
	Next 12 mos.	31.32	32.53	33.89
	Next 12 mos.	32.82	34.09	35.52
	Thereafter	34.16	35.48	36.96
TA04	CERT AUTOMOTIVE MECHANIC			
TA13	CERT WELDER/MACHINST			
T125	MACHINIST			
T137	CERT COMBINATION WELDER			
T174	SR ELECTRICIAN			
T175	PIPEFITTER MECHANIC			
T185	CERT EQUIPMENT MECHANIC			
T291	CABLE SPLICER			
T299	SR ELECTRICIAN			
T343	SR ELECTRICIAN (RELAY)			
T344	SR ELECTRICIAN (COMM)			
T345	SR ELECTRICIAN (I&C)			
T1005	SR CONTROL MECHANIC			
T1027	SR ELECTRICIAN	34.16	35.48	36.96
T1000	LEAD WAREHOUSE ATTENDANT	34.33	35.66	37.15
T314	TECHNICIAN (RELAY)			
T327	TECHNICIAN (COMM)			
T332	TECHNICIAN (I&C)			
T1006	CONTROL TECHNICIAN	34.69	36.03	37.54

HAWAIIAN ELECTRIC COMPANY, INC.
EXHIBIT A
(continued)

<u>JOB CODE</u>	<u>JOB TITLE</u>	<u>11/1/2007</u>	<u>1/1/2009</u>	<u>1/1/2010</u>
CF19	DRAFTING TECHNICIAN III			
C081	DRAFTING TECHNICIAN III			
	1st 12 mos.	33.68	34.98	36.44
	Thereafter	34.81	36.15	37.67
T312	(S) PRIMARY TROUBLEMAN			
	1st 12 mos.	34.16	35.48	36.96
	Thereafter	34.81	36.15	37.67
T235	SR CABLE SPLICER			
T273	SUBSTATION INSPECTOR	34.81	36.15	37.67
T1024	CONSTRUCTION INSPECTOR			
T1029	T&D INSPECTOR			
	1st 12 mos.	34.16	35.48	36.96
	Thereafter	35.31	36.68	38.21
T154	(S) CONTROL OPERATOR			
T241	SUBSTATION TECHNICIAN			
T268	AERIAL LINEMAN			
T315	(S) TROUBLE DISPATCHER			
T1013	(S) SR PRIMARY TROUBLEMAN			
T1020	T&D PRE-ASSEMBLER	35.31	36.68	38.21
TA01	LEAD CABLE SPLICER	35.96	37.35	38.91
CA77	DESIGN PLANNER			
	1st 9 mos.	33.20	34.49	35.93
	Next 9 mos.	35.03	36.39	37.91
	Thereafter	36.89	38.31	39.92
CA07	DESIGN DRAFTING TECH			
CF20	DESIGN DRAFTING TECH			
	1st 12 mos.	35.83	37.22	38.77
	Thereafter	36.89	38.31	39.92
F155	WORKING FOREMAN			
F248	WORKING FOREMAN			
F338	WORKING FOREMAN			
F713	WORKING FOREMAN (STORES)			
F736	WORKING FOREMAN (CONSTR)			
F737	WORKING FOREMAN			
F738	WORKING FOREMAN			
T316	(S) LOAD DISPATCHER	36.91	38.33	39.94
F249	FOREMAN	39.24	40.75	42.46

**Confidential Information Deleted
Pursuant To Protective Order, Filed on
November 21, 2008.**

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Exhibit HECO-S-15B04 contains confidential information and is provided subject to
the Protective Order filed on November 21, 2008 in this proceeding.